

FILE NOTATIONS

Entered in NID File
 Location Map Pinned
 and Indexed
 ✓

Checked by Chief
 Approval Letter
 Disapproval Letter

COMPLETION DATA:

Well Completed 11/18/78
 OW ✓ WW..... TA.....
 GW..... OS..... PA.....

Location Inspected ..
 Bond released
 State or Fee Land

LOGS FILED

Driller's Log ✓
 Electric Logs (No.) ✓

E..... I..... Dual I Lat..... GR-N..... Micro
 BHC Sonic GR..... Lat..... Mi-L..... Ser
 CLog..... CLog..... Others.....

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

Fee
3. Lease Designation and Section No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. Type of Well

Oil
Well ☒

Gas
Well ☐

Other ☐

Single
Zone ☐

Multiple
Zone ☐

c. Name of Operator

W. A. Moncrief
Address of Operator

P.O. Box 2573 Casper, Wyoming 82602

4. Location of Well (Report location clearly and in accordance with any State requirements.*)
At surface

745' FEL - 2268' FNL Section 9, T4S, R6W, U.S.M.
At proposed prod. zone SE NE

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

Bates

8. Farm or Lease Name

#9-1

9. Well No.

Wildcat

10. Field and Pool, or Wildcat

11. Sec., T., R., M., or Blk.
and Survey or Area

Sec. 9, T4S, R6W, U.S.M.

14. Distance in miles and direction from nearest town or post office*

Approximately 8 miles West of Duchesne 120

12. County or Parrish 13. State

Duchesne

Utah

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drlg. line, if any)

16. No. of acres in lease

8000

17. No. of acres assigned
to this well

640

18. Distance from proposed location*
to nearest well, drilling, completed,
or applied for, on this lease, ft.

19. Proposed depth

20. Rotary or cable tools

Rotary

21. Elevations (Show whether DF, RT, GR, etc.)

22. Approx. date work will start*

October 1, 1978

23. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
14 3/4	10 3/4	40.5	600	400
9 1/2	7 5/8"	26.4	6200	400
6 1/4	5"	15.0	6000-8000	400

Confidential

Purpose to drill to 8000' and evaluate Wasatch formation, completion
be attempted if significant show of oil or gas is encountered.

CONFIDENTIAL

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

Signature

Title

(This space for Federal or State office use)

Permit No.

Issue Date

Approved By

Title

Date

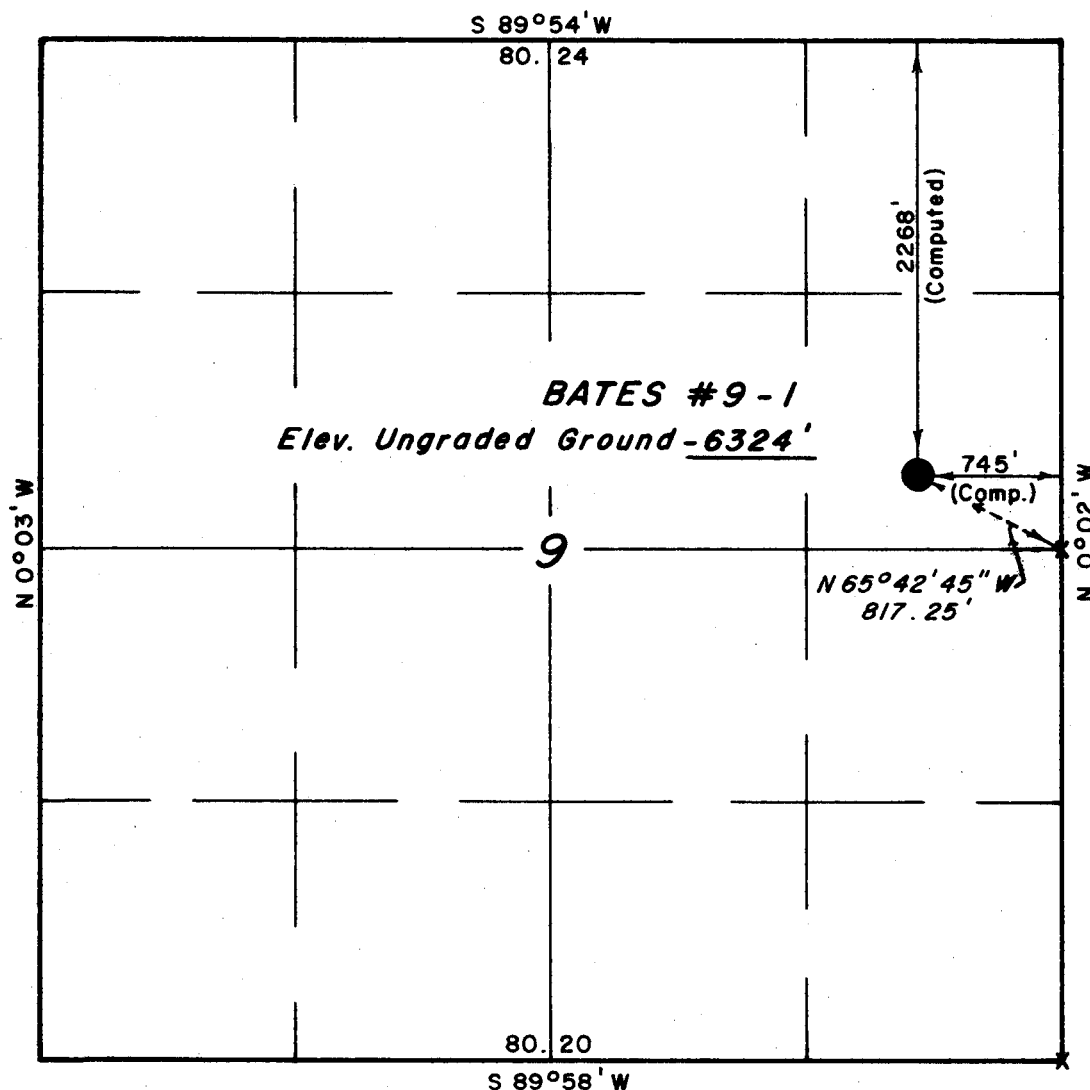
Approved By

T 4 S, R 6 W, U.S.B. & M.

PROJECT

W.A. MONCRIEF

Well location, *BATES #9-1*,
located as shown in the SE 1/4 NE
1/4 Section 9, T4S, R6W, U.S.
B. & M. Duchesne County, Utah.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

Dene Stewart

REGISTERED LAND SURVEYOR
REGISTRATION NO 3154
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
P.O. BOX Q - 110 EAST - FIRST SOUTH
VERNAL, UTAH - 84078

SCALE	1" = 1000'	DATE	9/14/78
PARTY	RK RS TJ DJ	REFERENCES	GLO Plat
WEATHER	Fair	FILE	W.A. MONCRIEF

X = Section Corners Located

STATE OF UTAH
DIVISION OF OIL, GAS, AND MINING

** FILE NOTATIONS **

Conf.
CONFIDENTIAL

Date: Sept. 19-

Operator: W.A. Moncrief

Well No: Bates 9-1

Location: Sec. 9 T. 44 R. 6W County: Duchesne

File Prepared: ☐

Entered on N.I.D.: ☐

Card Indexed: ☐

Completion Sheet: ☐

API Number: 43-013-30169

CHECKED BY:

Administrative Assistant: [Signature]

Remarks: [Signature]

Petroleum Engineer: dr Pat -

Remarks: [Signature]

Director: [Signature]

Remarks: [Signature]

*next to [Signature]
To [Signature]
Shawbury R*

INCLUDE WITHIN APPROVAL LETTER:

Bond Required: ☐

Survey Plat Required: ☐

Order No.

Surface Casing Change ☐
to

Rule C-3(c), Topographic exception/company owns or controls acreage
within a 660' radius of proposed site ☐

O.K. Rule C-3 ☐

O.K. In Unit

Other:

☐ Letter Written/Approved

SCOTT M. MATHESON
Governor



OIL, GAS, AND MINING BOARD

GORDON E. HARMSTON
Executive Director,
NATURAL RESOURCES

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING
1588 West North Temple
Salt Lake City, Utah 84116
(801) 533-5771

I. DANIEL STEWART
Chairman

CHARLES R. HENDERSON
JOHN L. BELL
THADIS W. BOX
C. RAY JUVELIN

CLEON B. FEIGHT
Director

September 19, 1978

W.A. Moncrief
c/o Gene Stewart
P.O. Box "Q"
Vernal, Utah 84078

Re: Well No's:
Texaco Tribal 3-1
Sec. 3, T. 4 S, R. 6 W,
Bates 9-1
Sec. 9, T. 4 S, R. 6 W,
Duchesne County, Utah

Gentlemen:

Insofar as this office is concerned, approval to drill the above referred to wells is hereby granted in accordance with Rule C-3(c), General Rules and Regulations and Rules of Practice and Procedure.

Should you determine that it will be necessary to plug and abandon this well(s), you are hereby requested to immediately notify the following:

PATRICK L. DRISCOLL - Chief Petroleum Engineer
HOME: 582-7247
OFFICE: 533-5771

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling.

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API numbers assigned to these wells are:

#3-1: 43-013-30468

#9-1: 43-013-30469

Very truly yours,

DIVISION OF OIL, GAS, AND MINING

CLEON B. FEIGHT
Director

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MININGSUBMIT IN DUPLICATE*
(See other instructions
on reverse side)

Div. Oil, Gas & Mining 8

Release date—
6-18-79

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL:		OIL WELL <input checked="" type="checkbox"/>	GAS WELL <input type="checkbox"/>	DRY <input type="checkbox"/>	Other <input type="checkbox"/>		
b. TYPE OF COMPLETION:		NEW WELL <input checked="" type="checkbox"/>	WORK OVER <input type="checkbox"/>	DEEP-EN <input type="checkbox"/>	PLUG BACK <input type="checkbox"/>		
		DIFF. RESVR. <input type="checkbox"/>	Other <input type="checkbox"/>				
2. NAME OF OPERATOR W. A. Moncrief							
3. ADDRESS OF OPERATOR P. O. Box 2573, Casper, Wyoming 82602							
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface SE 1/4 NE 1/4 (745' FEL, 2268' FNL) At top prod. interval reported below At total depth							
14. PERMIT NO.		DATE ISSUED					
43-013-30469		9-19-78					
15. DATE SPUDDED		16. DATE T.D. REACHED		17. DATE COMPL. (Ready to prod.)			
9-25-78		10-24-78		11-18-78			
20. TOTAL DEPTH, MD & TVD		21. PLUG, BACK T.D., MD & TVD		22. IF MULTIPLE COMPL., HOW MANY*			
8040'		7714'		NA			
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 6492-6846, Wasatch				25. WAS DIRECTIONAL SURVEY MADE No			
26. TYPE ELECTRIC AND OTHER LOGS RUN Dual Induction Laterolog, BHC-Sonic & Comp. Neutron-Formation Density				27. WAS WELL CORED No			
28. CASING RECORD (Report all strings set in well)							
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED		
10-3/4"	40.5	665	14-3/4"	550 SX	-0-		
7-5/8"	26.40	6,000	9-1/2"	515 SX	-0-		
29. LINER RECORD			30. TUBING RECORD				
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
5"	5710	7820	225	-	2-7/8"	5741	-
					5-1/2"	4-17	(heat string)
31. PERFORATION RECORD (Interval, size and number) 6840-46, 6835, 6810-18, 6786-90, 6776-79, 6682-88, 6656-62, 6634-36, 6586-90, 6508-14, 6501-05, 6492-95 w/65 shots				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED						
See Item 31	12,000 gal 15% acid, commingled w/750 cf/bbl Nitrogen						
33.* PRODUCTION							
DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)					
11-15-78	Flowing	Producing					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
11-18-78	24	10/64"	→	1056	850	None	804 CF/Bbl
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
800	PKR	→	1056	850	None	43	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Vented				TEST WITNESSED BY Clayton Norby			
35. LIST OF ATTACHMENTS None							
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records							
SIGNED		TITLE		DATE			
[Signature]		Production Manager		November 23, 1978			

*(See Instructions and Spaces for Additional Data on Reverse Side)

CONFIDENTIAL

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 19: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES:

SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	38. GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Drill Stem Tests - None				Green River	Surface	
				Wasatch	6112'	

FILE IN QUADRUPLICATE
FORM OGC-8-X

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING
1588 West North Temple
Salt Lake City, Utah 84116
January 16, 1979

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well Name & Number: BATES 9-1

Operator: W. A. Moncrief

P. O. Box 2573
Address: Casper, Wyoming 82602

Contractor: R. L. Manning Co.

Address: 2200 United Bank Center,
1700 Broadway, Denver, CO 80290

Location SE 1/4 NE 1/4; Sec. 9 T. 4 N, R. 6 E; Duchesne County
S W

Water Sands:

<u>Depth:</u>		<u>Volume:</u>	<u>Quality:</u>
From-	To-	Flow Rate or Head	Fresh or Salty
1.	<u>No water sands encountered.</u>		
2.			
3.			
4.			
5.			

(Continue on Reverse Side if Necessary)

Formation Tops:

Wasatch 6112'

Remarks:

None



- NOTE: (a) Upon diminishing supply of forms, please inform this office.
(b) Report on this form as provided for in Rule C-20, General Rules and Regulations and Rules of Practice and Procedure.
(c) If a water analysis has been made of the above reported zone, please forward a copy along with this form.



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

TO: C. B. Feight, Director
FROM: R. J. Firth, Petroleum Engineer *RJF*
DATE: August 23, 1982
SUBJECT: Gas Flaring - Rule C-27
South Cedar Rim Area, Duchesne County, Utah

Hearings have recently been held before the Board in the matter of continued gas flaring in the South Cedar Rim area by Moncrief Oil Company and Koch Exploration Company. These hearings were Cause No. 196-7, May 27, 1982, involving Moncrief and Cause No. 196-8, June 28, 1982 involving Koch. Both companies presented information regarding present and future oil and gas production volumes, proposed gas gathering facilities and the economics of operating this system and the present production facilities. In both instances, it was determined that there were insufficient gas production volumes and inadequate gas reserves to justify a gas gathering system by each individual operator.

However, it was proposed that the entire area be studied to determine if it might be feasible and economical to install a gas gathering system that might be used by both operators on a cooperative basis. The following parameters were used to evaluate the pipeline installation and to determine the economics of gathering and marketing the casing head gas from the wells in this area:

1. Wells to be connected to the proposed gathering system are Moncrief No. 3-1, Moncrief No. 9-1, Moncrief No. 15-1, Koch No. 10-1, and Koch No. 11-1. All additional wells in the area are presently uneconomical to produce or shut in.
2. The proposed gathering system would be 2" and 3" OD lines laid on the surface. It would be necessary to increase the gathering line size to 3-4" OD line at the proposed river crossing and for the final approximately 2 miles of line including the highway crossing. It was concluded that less expensive plastic line might be used for the gathering lines between wells prior to the river crossing.
3. Gas sales meters, dehydrators, labor and miscellaneous expenses and a possible compressor installation were included in the initial pipeline expenditures.
4. The initial gas price was estimated at \$ 3.00 per MCF less basic and overriding royalties, estimated taxes, and transportation charges for sales gas. The approximate net price of \$ 2.15 per MCF was escalated at 8% annually.

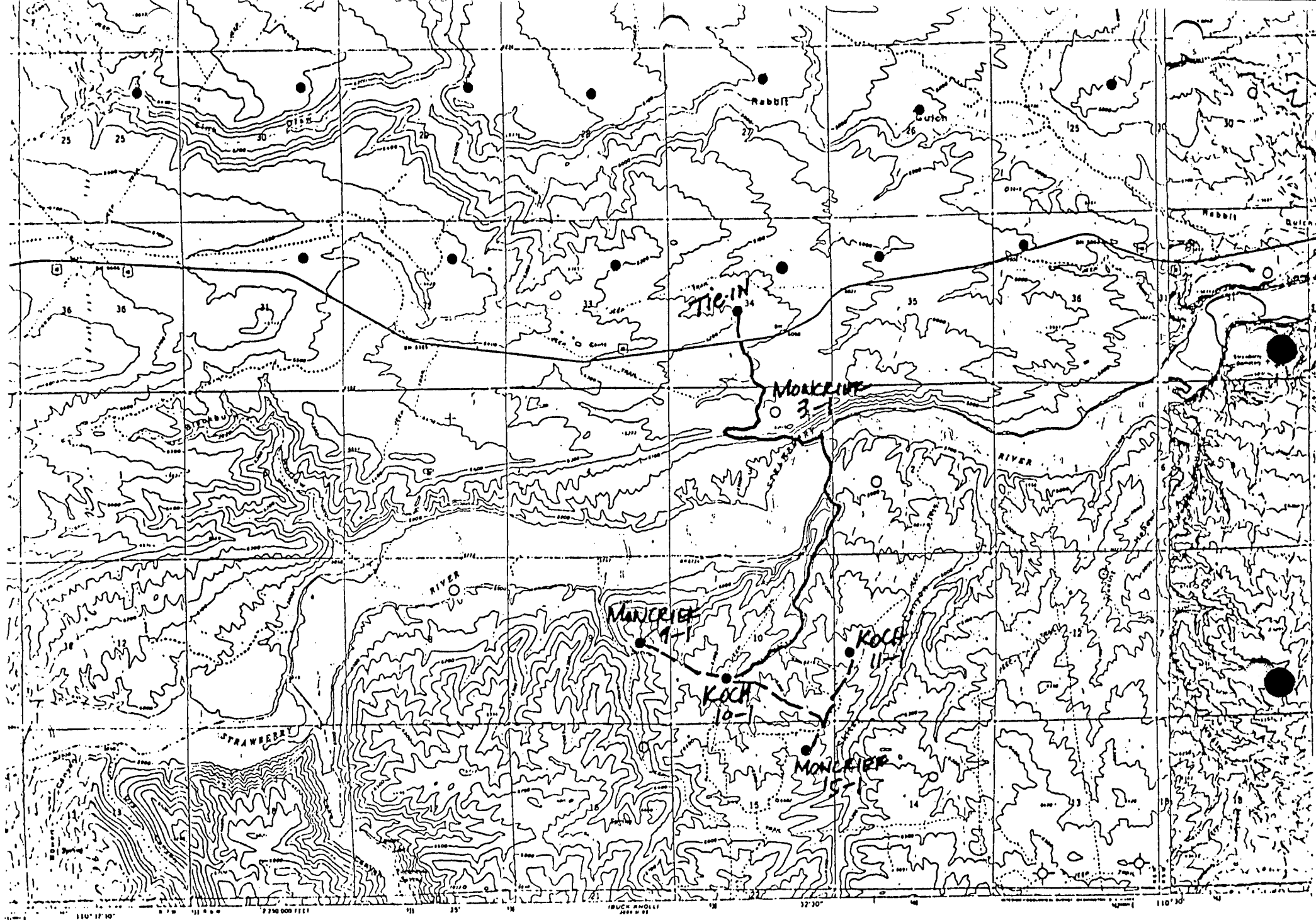
Page 2
C. B. Feight
August 23, 1982

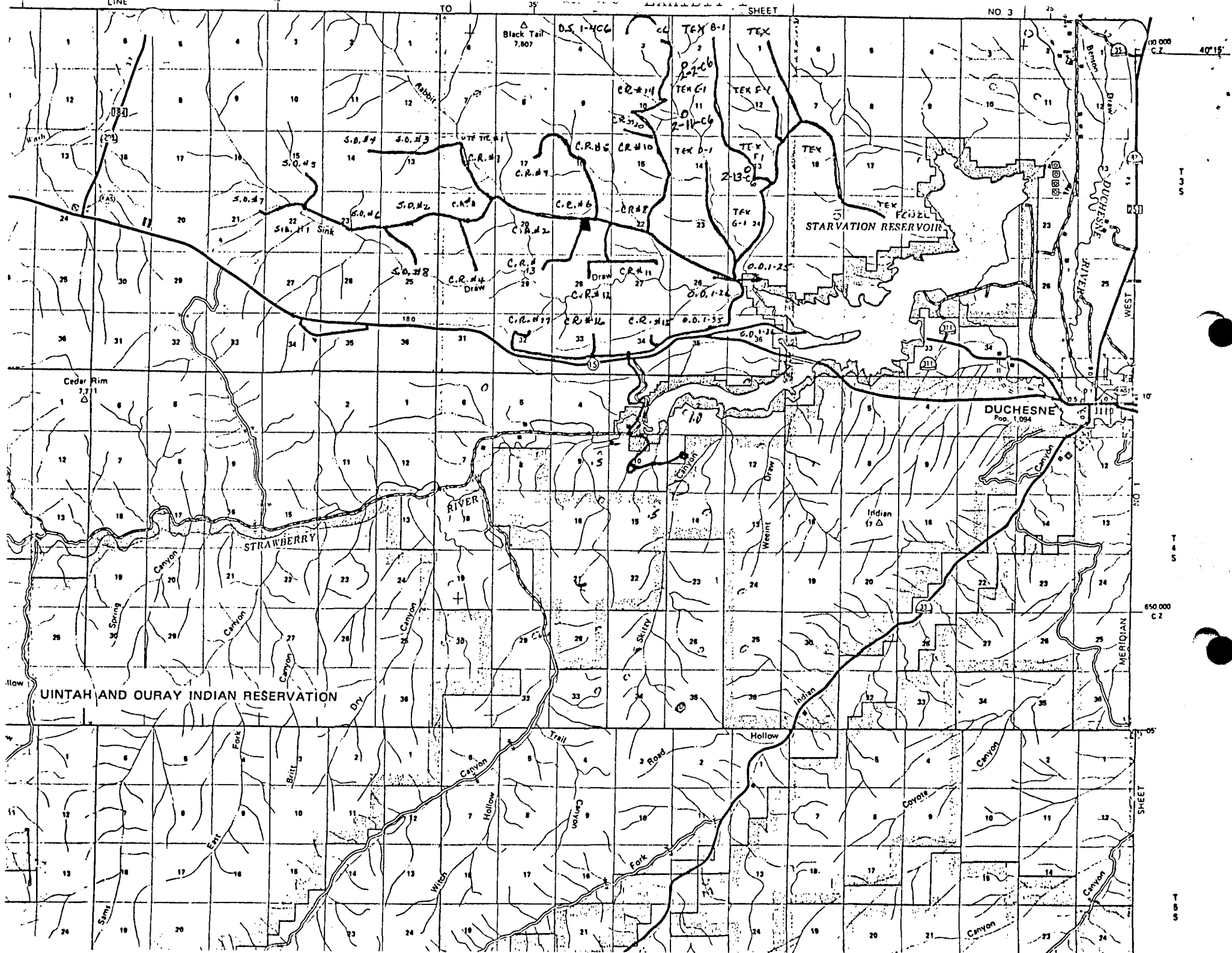
5. Operating costs for the system were estimated at \$ 500.00 per month escalated at 10% annually. No allowance was made for the fuel gas useage for the compressor and dehydrator systems but this gas volume would reduce the gas sales volume.
6. Gas production decline was estimated at 20% per year based on the lease oil decline rate.

A gross estimated expenditure of \$ 500,000 would be necessary to install these necessary facilities to initiate gas sales. Although the operators would benefit from the current income generated by the sale of the presently flared gas, unfortunately under present circumstances, payout of the initial expenditures and the operating expenses would never be realized.

As there appears to be no indication of any unreasonable or excessive amount of gas production that will diminish the quantity of oil or gas that might ultimately be produced, continued flaring of gas should be allowed in order to produce the oil associated with this gas.

cc: Board of Oil, Gas & Mining





<p>MFS 4 Cedar Rim</p> <p>Koch 13 Cedar Rim</p> <p>Koch 12 Cedar Rim</p> <p>Koch 11 Cedar Rim</p> <p>ODoU 1 26 Burton Hawks</p> <p>ODoU 1 25 Burton Hawks</p>	<p>Koch Cedar Rim 18</p> <p>Koch Cedar Rim 17</p> <p>Koch Cedar Rim 16</p> <p>Koch Cedar Rim 15</p> <p>ODoU 1 35 Burton Hawks Tribal</p> <p>ODoU 1 36 Tribal</p>	<p>10-78 OIL 188 BO GAS 2,679 MCF 10-78 CUM OIL 18,622 BO CUM GAS 31,561,920 MCF</p> <p>10-78 OIL 329 BO GAS 2,763 MCF 10-78 CUM OIL 71,763 BO CUM GAS 24,224 MCF</p> <p>10-78 OIL 11,514 BO GAS 12,694 MCF 10-78 CUM OIL 269,244 BO CUM GAS 784,254 MCF</p> <p>10-78 OIL 3,846 BO GAS 16,085 MCF 10-78 CUM OIL 278,296 BO CUM GAS 847,321 MCF</p> <p>10-78 OIL 8,219 BO GAS 2,718 MCF 10-78 CUM OIL 99,517 BO CUM GAS 192,139 MCF</p> <p>10-78 OIL 1,185 BO GAS 4,893 MCF 10-78 CUM OIL 26,149 BO CUM GAS 107,129 MCF</p>	<p>10-78 OIL 188 BO GAS 2,679 MCF 10-78 CUM OIL 18,622 BO CUM GAS 31,561,920 MCF</p> <p>10-78 OIL 329 BO GAS 2,763 MCF 10-78 CUM OIL 71,763 BO CUM GAS 24,224 MCF</p> <p>10-78 OIL 11,514 BO GAS 12,694 MCF 10-78 CUM OIL 269,244 BO CUM GAS 784,254 MCF</p> <p>10-78 OIL 3,846 BO GAS 16,085 MCF 10-78 CUM OIL 278,296 BO CUM GAS 847,321 MCF</p> <p>10-78 OIL 8,219 BO GAS 2,718 MCF 10-78 CUM OIL 99,517 BO CUM GAS 192,139 MCF</p> <p>10-78 OIL 1,185 BO GAS 4,893 MCF 10-78 CUM OIL 26,149 BO CUM GAS 107,129 MCF</p>
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<p>Koch Cedar Rim 22</p> <p>Koch Cedar Rim 21</p> <p>Montreal Pond 1</p> <p>Montreal Bates 9</p> <p>Gull Baba Ute</p> <p>Montreal 12</p>	<p>Montreal Tribal 1</p> <p>Montreal Rowley 2</p> <p>Montreal 12</p> <p>Koch Benton 11</p> <p>Montreal Gull Tribal 1</p> <p>Gull Black</p> <p>Gull Ute Tribal 1</p>	<p>10-78 OIL 188 BO GAS 2,679 MCF 10-78 CUM OIL 18,622 BO CUM GAS 31,561,920 MCF</p> <p>10-78 OIL 329 BO GAS 2,763 MCF 10-78 CUM OIL 71,763 BO CUM GAS 24,224 MCF</p> <p>10-78 OIL 11,514 BO GAS 12,694 MCF 10-78 CUM OIL 269,244 BO CUM GAS 784,254 MCF</p> <p>10-78 OIL 3,846 BO GAS 16,085 MCF 10-78 CUM OIL 278,296 BO CUM GAS 847,321 MCF</p> <p>10-78 OIL 8,219 BO GAS 2,718 MCF 10-78 CUM OIL 99,517 BO CUM GAS 192,139 MCF</p> <p>10-78 OIL 1,185 BO GAS 4,893 MCF 10-78 CUM OIL 26,149 BO CUM GAS 107,129 MCF</p>	<p>10-78 OIL 188 BO GAS 2,679 MCF 10-78 CUM OIL 18,622 BO CUM GAS 31,561,920 MCF</p> <p>10-78 OIL 329 BO GAS 2,763 MCF 10-78 CUM OIL 71,763 BO CUM GAS 24,224 MCF</p> <p>10-78 OIL 11,514 BO GAS 12,694 MCF 10-78 CUM OIL 269,244 BO CUM GAS 784,254 MCF</p> <p>10-78 OIL 3,846 BO GAS 16,085 MCF 10-78 CUM OIL 278,296 BO CUM GAS 847,321 MCF</p> <p>10-78 OIL 8,219 BO GAS 2,718 MCF 10-78 CUM OIL 99,517 BO CUM GAS 192,139 MCF</p> <p>10-78 OIL 1,185 BO GAS 4,893 MCF 10-78 CUM OIL 26,149 BO CUM GAS 107,129 MCF</p>
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S

T
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C

MONCRIEF OIL

CC: BOARD
DR NIXSON
RJ FINTL
JR BAZA

November 28, 1984

P.O. BOX 2573
CASPER, WYOMING 82602
307-237-2541

Board of Oil, Gas & Mining
Dept. of Natural Resources
State of Utah

Attn: Ms. Marjorie Larson, Secretary

RECEIVED
DEC 01 1984
DIVISION OF
OIL, GAS & MINING

Re: Docket No. 84-083
Cause No. 196-7
Gas Flaring
4S-6W Duchesne County, Utah

Gentlemen:

W. A. Moncrief operates two wells in the subject area, namely Bates 9-1 and Texaco Tribal 3-1. These wells produce from the Wasatch Formation.

Between 1979 and 1982 several hearings before the Board were conducted concerning the flaring of gas from wells located in this area.

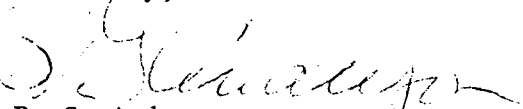
To our knowledge, nothing significant has transpired since this time to significantly change the economic picture regarding this matter.

If anything, history has borne out our original prediction of this area i.e., there were insufficient gas reserves associated with this area to justify a gas gathering system. In addition to the two wells mentioned above Koch Exploration operates two wells in this area and these are the only wells now producing. It is interesting to note Koch has not connected their two wells and they own the nearest gas gathering facility.

Last week we were in contact with a Mr. Glenn Feight of the Board's office and we expressed our concern at the time that we did not know exactly how to respond to the Board's order to appear on December 6, 1984. Mr. Feight indicated he would look into the matter and advise us. To date we have heard nothing further.

Please accept this letter as Moncrief's response to the subject matter.

Sincerely,


P. G. Anderson
Production Manager

PGA/dmb

cc: Mr. Mel May, Ft. Worth
Working Interest Owners
(Addressee List Attached)

Working Interest Owners
Addressee List

Gulf Oil Exploration
and Production
P. O. Box 2619
Casper, WY 82602

Koch Exploration, Inc.
Seventeenth St. Plaza
Suite 2540
1225 Seventeenth Street
Denver, CO 80202

Koch Exploration
P. O. Box 2256
Wichita, KS 67201

Juanita Smith
1476 S. Wasatch Dr.
Salt Lake City, UT 84108

Dennis Smith
4400 Coldwater Canyon Ave.
Suite 200
Studio City, CA 91604

Texaco, Inc.
P. O. Box 2100
Denver, CO 80201

Ute Indian Tribe
Uintah and Ouray Reservation
Energy and Mineral Res.
P. O. Box 129
Ft. Duchesne, UT 84026

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
IN AND FOR THE STATE OF UTAH

---00000---

IN THE MATTER OF GAS FLARING	:	NOTICE OF HEARING
BY MONCRIEF OIL COMPANY FROM	:	
WELLS LOCATED IN TOWNSHIP 4	:	DOCKET NO. 84-083
SOUTH, RANGE 6 WEST, SLM,	:	CAUSE NO. 196-7
DUCHESNE COUNTY, UTAH	:	

---00000---

THE STATE OF UTAH TO ALL OPERATORS, TAKERS OF PRODUCTION,
MINERAL AND ROYALTY OWNERS, AND PARTICULARLY ALL PERSONS INTERESTED
IN DUCHESNE COUNTY, UTAH.

Notice is hereby given that the Board of Oil, Gas and Mining,
on its own Order to Show Cause, will conduct a hearing on the
above-captioned matter at 10:00 a.m., or as soon thereafter as
possible, on Thursday, December 6, 1984, in the Board Room, Suite
301 of the Division of Oil, Gas and Mining, 355 West North Temple, 3
Triad Center, Salt Lake City, Utah.

The purpose of the proceeding will be to receive evidence and
testimony as to whether the Board should revoke the order issued in
Cause No. 196-7, dated August 26, 1982, and issue a new order
subject to the interpretation of Rule C-27, approved by the Board of
Oil, Gas and Mining, March 22, 1984.

Persons interested in this matter may participate pursuant to
the Procedural Rules of the Board. The Petition and any subsequent
pleadings may be inspected in the office of the undersigned, at 355
West North Temple, 3 Triad Center, Suite 350, Salt Lake City, Utah.

DATED this 5th day of November, 1984.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING

Marjorie L. Larson
Secretary of the Board

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
IN AND FOR THE STATE OF UTAH

---oo000---

IN THE MATTER OF GAS FLARING	:	ORDER TO SHOW CAUSE
BY MONCRIEF OIL COMPANY FROM	:	
WELLS LOCATED IN TOWNSHIP 4	:	DOCKET NO. 84-083
SOUTH, RANGE 6 WEST, SLM,	:	CAUSE NO. 196-7
DUCHESNE COUNTY, UTAH	:	

---oo000---

Moncrief Oil Company is hereby ordered to appear before the Board of Oil, Gas and Mining to show cause as to why the order issued in Cause No. 196-7, dated August 26, 1982, should not be revoked and a new order entered subject to the interpretation of Rule C-27, approved by the Board of Oil, Gas and Mining, March 22, 1984.

Such hearing will be held on December 6, 1984, in the Board Room, Suite 301 of the Division of Oil, Gas and Mining, 355 West North Temple, 3 Triad Center, Salt Lake City, Utah, at 10:00 a.m., or as soon thereafter as the matter can be heard.

DATED this 5th day of November, 1984.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING

Marjorie L. Larson
Marjorie L. Larson
Secretary of the Board

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES AND ENERGY
in and for the STATE OF UTAH

IN THE MATTER OF THE DISCONTINUANCE
OF FLARING OF GAS BY MONCRIEF OIL
COMPANY FROM WELLS LOCATED IN
DUCESNE COUNTY, UTAH

ORDER
CAUSE NO. 196-7

This cause came on for hearing before the Board of Oil, Gas and Mining at 10:00 a.m., on Thursday, May 27, 1982, and for determination on Thursday, August 26, 1982, in Room 303 of the State Capitol Building, Salt Lake City, Utah, pursuant to an Order to Show Cause why the flaring of gas by Moncrief Oil Company from wells located in Duchesne County should not be discontinued.

The following Board Members were present:

Charles R. Henderson, Chairman

Edward T. Beck (May 27)

E. Steele McIntyre (August 26)

Herm Olsen

Margaret Bird

NOW, THEREFORE, the Board, being fully advised in the premises, finds as follows:

1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties in the form and manner and within the time required by law and the rules and regulations of the Board,
2. that the nearest pipeline facility to Moncrief's wells is the gas gathering line installed by Santa Fe Energy Company,
3. that about 24,000 feet of line would have to be laid to connect Moncrief's wells to the Santa Fe Energy Company line,
4. that none of the wells which Moncrief operates in Township 4 South, Range 6 West, Duchesne County, produces sufficient oil or gas or contains adequate reserves to justify the cost of a gas gathering system,
5. that the cost of said gas gathering system might be less if Koch Exploration Company, the operator of the wells to the north, connected their wells to the Santa Fe Energy Company line,

6. that Ron J. Firth, Chief Petroleum Engineer, Division of Oil, Gas and Mining, upon the request of the Board, made a study of the South Cedar Rim Area to determine if it might be feasible and economical to install a gas gathering system that might be used by Moncrief and Koch on a cooperative basis.

7. That it was determined that there were insufficient gas production volumes and inadequate gas reserves to justify a jointly operated gas gathering system.

IT IS THEREFORE ORDERED BY THE BOARD THAT Moncrief Oil Company be authorized to flare gas from wells located in Duchesne County for an indefinite period from this date.

DATED this 26th day of August, 1982.

Charles R. Henderson
Charles R. Henderson, Chairman

Edward T. Beck

E. Steele McIntyre

Herm Olsen
Herm Olsen

Margaret Bird
Margaret Bird

RECEIVED

JAN 24 1985

MONCRIEF

January 22, 1985



KOCH

HYDRO
Division of Koch Industries Inc.

Mr. Percy G. Anderson
MONCRIEF OIL
P. O. Box 2573
Casper, Wyoming 82602

Re: Bates 9-1 & Texaco
Tribal 3-1 Wells
T4S-R6W
Duchesne County, Utah

Dear Percy:

To confirm our recent conversation, Koch Hydrocarbon Company would be very interested in purchasing Moncrief's gas production from the captioned wells and would therefore like to make the following gas gathering and processing proposal for said wells:

1. Koch will act as Moncrief's contractor for the 4.6 miles of six inch plastic pipeline. Moncrief will reimburse Koch for the actual expenditure estimated at \$343,000 and Koch will pay back the line at \$.10/MCF delivered.
2. Koch will pay Moncrief 70% of the net sales proceeds received for the gas liquids and residue gas saved and sold at the tailgate of our Cedar Rim Plant. We are currently receiving the maximum lawful price for the residue gas. If we continue to receive the maximum lawful price and your wells qualify for section 102 pricing, the price you receive per wellhead MCF should be approximately be \$3.00.
3. Contract term of 10 years.

If said proposal is of interest to Moncrief, a formal contract will be prepared for your review. Please note that this proposal is subject to the final approval of Koch Hydrocarbon Company's management. We appreciate your interest in Koch and look forward to working with you.

Very truly yours,

KOCH HYDROCARBON COMPANY

John A. Boone, Jr.
John A. Boone, Jr.
Manager, Natural Gas
Rocky Mountain Area

JAB:ko

ECONOMIC FORECAST - GAS GATHERING PROPOSAL
SOUTH CEDAR RIM AREA 4S-6W DUCHESNE COUNTY, UTAH

										Gas Line Inv. \$340M	
Year	Lease and Well	Oil BBLs	Gas MCF	Gas Used On Lease MCF	Gas Avail. For Sale MCF	Oil Income @ \$13.67/BBL M\$	Gas Income @ \$2.05/MCF M\$	Direct Op. Expense M\$	Net Oper. Income M\$	Net Cash Flow M\$	Discounted Cash Flow @ 12%
1985	Bates 9-1	9,600	75,800	3,000	72,800	131	149	90	190		
	Texaco Tribal 3-1	2,880	20,160	2,100	18,060	39	37	66	<u>10</u>		
									200	-140	*
1986	Bates 9-1	4,320	41,900	2,500	39,400	59	81	90	50		
	Texaco Tribal 3-1	1,740	13,200	1,900	11,300	24	23	66	<u>-19</u>		
									31	-109	*
1987	Bates 9-1	2,880	31,700	2,300	29,400	39	60	90	9		
	Texaco Tribal 3-1	Shut-in - Below Economic Limit							<u>9</u>	-100	*

Notes:

*Not Calculated - Investment in Gas Gathering System does not Payout.

Oil Price: \$20/BBL less Royalty, Orr Severance and Ad Valorem Taxes.

Gas Price: \$3/MCF less Royalty, Orr Severance and Ad Valorem Taxes.

Royalty	16.67%
Orr	5.00%
Severance and Ad Valorem Tax	<u>10.00%</u>
	31.67%

∴ Net R.I. = 1 - .3167 = 0.6833



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
VERNAL DISTRICT OFFICE
170 South 500 East
Vernal, Utah 84078

IN REPLY
REFER TO:

3100
9C-196
9C-197

RECEIVED
RECEIVED

FEB 11 1985

DIVISION OF OIL
& GAS & MINING
GAS & MINING

February 5, 1985

Moncrief Oil Company
P.O. Box 2573
Casper, Wyoming 82602

Re: Venting of Produced Natural
Gas

Gentlemen:

After reviewing the data presented to the Bureau of Land Management and Division of Oil, Gas and Mining during the meeting scheduled on January 30, 1985, this office concurs that the flaring/venting of produced natural gas is warranted for the following wells:

Texaco Tribal No. 3-1
Section 3, T.4S., R.6W.
Duchesne County, Utah
Lease 14-20-H62-1939
Communitization Agreement 9C-196

Bates No. 9-1
Section 9, T.4S., R.6W.
Duchesne County, Utah
Communitization Agreement 9C-197

Therefore, this office authorizes Moncrief Oil Company to flare/vent the produced natural gas associated with the above wells. It is our understanding that these wells will continue to be shut-in until such time that the Board of Oil, Gas and Mining for the State of Utah also authorizes continued flaring/venting for said wells. The Bureau of Indian Affairs will also be informed of this approval.

It is the suggestion of this office that Moncrief Oil Company inform the Bureau of Indian Affairs of the shut-in status of these wells along with the reasons why as the older Indian leases can be terminated if a lease in its extended term does not have any production for more than 30 days. This office has also informed them of this fact, but the above is also to protect yourself from lease terminations.

Please keep this office informed should Koch Hydrocarbon Company decide to lay a gas sales line at their expense. If you have any questions regarding this matter, please contact Jerry Kenczka at (801) 789-1362. Your cooperation has been greatly appreciated.

Sincerely,

Don Alvord

Donald C. Alvord
Associate District Manager

KOCH

EXPLORATION COMPANY

SEVENTEENTH STREET PLAZA

SUITE 2540

1225 SEVENTEENTH STREET

DENVER, COLORADO 80202

TEL. 303-292-4311

SUBSIDIARY OF



cc: Deardorff
RJ Firth
DR Millson
JR Baza
BW Roberts
M Moench

February 13, 1985

RECEIVED

Chairman Gregory P. Williams
Board of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180

FEB 9 1985

**DIVISION OF OIL
GAS & MINING**

Re: Gas Flaring
Bates 9-1 & Texaco Tribal 3-1 Wells
Sections 9 and 3-T4S-R6W, SLM
Duchesne County, Utah

Dear Chairman Williams:

Koch Industries, Inc. has been advised that the above-captioned matter will be presented as an informal item to the Board of Oil, Gas and Mining prior to the formal hearings on February 28, 1985. It is our understanding that the Board will at that time make a determination on this matter pursuant to Rule C-27, Associated Gas Flaring.

Koch is a working interest owner under both of the subject wells and as such supports Moncrief Oil's position that they be allowed to continue flaring. We understand that both the State and Federal governments are also recommending continuance of the flaring and, therefore, encourage a favorable ruling by the Board.

Yours very truly,

A handwritten signature in cursive script, appearing to read 'Janet Kae Kruse', is written over the typed name.
Janet Kae Kruse
Landman

JKK:cm

cc: Mr. P. G. Anderson
Moncrief Oil
P. O. Box 2573
Casper, Wyoming 82602

Bud Ziser
Koch Exploration Company

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

IN THE MATTER OF	:	
GAS FLARING BY MONCRIEF OIL	:	O R D E R
COMPANY FROM WELLS LOCATED	:	
IN TOWNSHIP 4 SOUTH,	:	Docket No. 84-083
RANGE 6 WEST, SLM,	:	Cause No. 196-7
DUCHESNE COUNTY, UTAH	:	

This matter was heard before the Board of Oil, Gas and Mining, on December 6, 1984 in the Board Hearing Room, 3 Triad Center, Suite 350, Salt Lake City, Utah 84180-1203.

The following members of the Board were present and participating:

Gregory P. Williams, Chairman
E. Steele McIntyre
Charles R. Henderson
Constance K. Lundberg
James W. Carter
Richard B. Larsen
John M. Garr

Present and representing the Division of Oil, Gas and Mining were Dr. Dianne R. Nielson, Director, and Ronald J. Firth, Associate Director, Oil and Gas. Present and representing the Board was David S. Christensen, Assistant Attorney General. Present and representing the Division was Barbara W. Roberts, Assistant Attorney General.

Moncrief Oil Company was not represented at the hearing but responded to the Board's Order to Show Cause by letter dated November 28, 1984 from P.G. Anderson, Production Manager.

FINDINGS

1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties as required by law and the rules and regulations of the Board.

2. The Board has jurisdiction over the subject matter of said Order to Show Cause and over all parties interested therein and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. The Board's Order in Cause No. 196-7, dated August 26, 1982, provided for the flaring of gas from Moncrief operated wells in Duchesne County for an indefinite period from that date.

4. The Board on March 22, 1984, interpreted Rule C-27 to mean that:

1. An operator need not obtain Board approval for the flaring of an average of 0-25MCF/day; and
- 2) An operator may flare an average of 26-100 MCF/day for one month subsequent to the completion of the required seventy-two (72) hour test. Subsequent to that one-month period, no more than an average of 25 MCF/day may be flared without Board approval; and
- 3) The operator must obtain prior Board approval whenever an average of 100 MCF/day or greater will be flared.

5. The Board finds no cause why the Order in Cause No. 196-7 should not be revoked.

O R D E R


Based upon the above findings, the Board hereby Orders that:

1. The Board Order entered in Cause No. 196-1 on August 22, 1982, be revoked.
2. The wells operated by Moncrief Oil Company be brought by December 16, 1984, into compliance with Rule C-27 as that rule has been interpreted by the Board.

DATED this 4th day of January, 1985.


GREGORY P. WILLIAMS, Chairman

Approved as to form:


DAVID S. CHRISTENSEN
Assistant Attorney General

2/19/85
JRB

Moncriet Briefing:

- Wells SI after Board issued order in Cause No. 196-7, 1/4/85.
- Two wells of concern Bates 9-1, Texaco Tribal 3-1. Wells worked over in 1983; additional perfs were opened and GOR increased dramatically.
- Current decline rate for both wells is matching previous performance.
- Koch has offered pipeline connection at approximately \$340,000.
- Moncriet shows economics are not attractive for pipeline alternative. (Net cash flow is negative). Tribal 3-1 is SI after two years as uneconomic well.
- BLM supports Moncriet's statement.

Alternatives:

Division
rec. →

1. - Allow flaring. 2000 to 1 GOR will not work on these cases.
2. - Docket a hearing - on Moncriet's motion or Board's motion. Similar info. would result.

ECONOMIC FORECAST - GAS GATHERING PROPOSAL
SOUTH CEDAR RIM AREA 4S-6W DUCHESNE COUNTY, UTAH

										Gas Line Inv. \$340M	
Year	Lease and Well	Oil BBLs	Gas MCF	Gas Used On Lease MCF	Gas Avail. For Sale MCF	Oil Income @ \$13.67/BBL M\$	Gas Income @ \$2.05/MCF M\$	Direct Op. Expense M\$	Net Oper. Income M\$	Net Cash Flow M\$	Discounted Cash Flow @ 12%
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∴ Net R.I. = 1 - .3167 = 0.6833



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

March 5, 1985

TO: Ronald J. Firth, Associate Director, Oil and Gas
FROM: Dianne R. Nielson, Director *DRN*
RE: Gas Flaring by Moncrief Oil Company, Docket No. 84-083,
Cause No. 196-7

The purpose of this memo is to insure that the Division conduct periodic review of gas flaring by Moncrief Oil Company, in conjunction with Docket No. 84-083, Cause No. 196-7, and briefing session comments by the Board on February 28, 1985. The Board has authorized the Division to administratively regulate flaring in excess of that permitted in Rule C-27 or the GOR 2000:1 Rule.

In order to monitor any changes in technical or economic conditions related to flaring of these wells, please prepare a status report every 90 days on this flaring issue for the Division Director. The report should note changes, if any, in: 1) exploration/development for oil or gas reserves in the area, 2) changes in economic conditions which may impact viability of gas sales, 3) changes in the amount or rate of flaring, or 4) other related factors. Regardless of this schedule, please notify me immediately of any changes in recommendations regarding flaring in this area.

mjm
cc: B. Roberts
M. Moench
0195V-9

Bates 9-1
SE/NE 9-4S-6W

Production Formation
Oil Gravity: 44

Duchesne County, Utah
Lease No. 09-001942

Gas Gravity: BTU 1247/CF.

DATE	OIL PRODUCED BBLs	CUM OIL	GAS PRODUCED MCF	CUM GAS MCF	WATER PRODUCED	CUM WATER	GAS/OIL RATIO MCF/BBL	DAYS OF PRODUCTION
1 January, 1984	6268	332309	16151	312560	970	24941	2.577	31
2 February	4851	337160	14531	327091	103	25044	2.995	29
3 March	4228	341388	16446	343537	1430	26474	3.89	31
4 April	3438	344826	14491	358028	1816	28290	4.215	30
5 May	2609	347435	13192	371220	1687	29977	5.056	28
6 June	1854	349289	8762	379982	1479	31456	4.726	25
7 July	2421	351710	12285	392267	1962	33418	5.074	30
8 August	2324	354034	12700	404967	1858	35276	5.465	27
9 September	2231	356265	14322	419289	1759	37035	6.420	30
10 October	2063	358328	12500	431789	1922	38957	6.059	30
11 November	1221	359549	5722	437511	1171	40128	4.686	21
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Bates 9-1

Production Formation

SE/NE 9-4S-6W

Oil Gravity: 44

Duchesne County, UT
Lease No. 09-001942

Gas Gravity: BTU 1247/CF

1	2	3	4	5	6	7	8	9
DATE	OIL PRODUCED BBLs	CUM OIL	GAS PRODUCED MCF	CUM GAS MCF	WATER PRODUCED	CUM WATER	GAS/OIL RATIO MCF/BBL	DAYS OF PRODUCTION
January 81	4922	259532	8679	226637	80	2640	1763	31
February	4275	263807	7583	234220	80	2720	1773	28
March	4402	268209	9797	244017	100	2820	2225	31
April	2807	271016	5564	249581	80	2900	1982	28
May	268	271284	33	249614	0	2900	1231	14
June	87	271371	185	249799	0	2900	2126	9
July	0	271371	0	249799	0	2900	0	WOPU 0
August	43	271414	201	250000	0	2900	4674	WOPU 2
September	385	271789	233	250233	704	3604	605	Install P 5
October	4061	275850	1173	251406	1617	5221	288	31
November	3601	279451	1425	252831	1012	6233	896	30
December	2528	281979	1533	254364	1075	7308	606	31
January 82	2175	284154	1218	255582	1147	8455	1560	29
February	1731	285885	1119	256701	923	9378	646	27
March	1985	287870	1118	257813	882	10260	560	31
April	1956	289826	1289	259102	859	11119	659	30
May	1678	291504	1208	260306	827	11946	718	31
June	1448	292952	1090	261396	803	12749	753	30
July	1818	294770	1194	262590	800	13549	657	31
August	1302	296072	1123	263713	592	14091	823	31
September	1251	297323	804	264597	594	14685	707	30
October	657	297980	574	264971	185	14870	569	18
November	1127	299107	630	265601	1114	15984	559	26
December	124	300367	73	265674	881	16865	577	31
January 83	1159	301528	438	266112	716	17581	377	31
February	1057	302585	377	267147	533	18164	367	28
March	1134	303719	357	267504	636	18800	315	30
April	1189	304908	712	268216	601	19401	600	30
May	841	305749	1429	269645	564	19965	699	31
June	11609	307358	1126	270867	512	20477	753	30
July	1277	308635	5496	276353	547	21024	4304	31
August	1240	309875	805	277158	746	21770	649	31
September	4733	314608	11105	288323	566	22336	2359	27
October	4746	319356	1107	289430	400	22736	232	30
November	3360	322716	1638	291068	537	23273	483	30
December	3325	326041	5341	296409	698	23971	1602	31

Bates 9-1

Production Formation: Wasatch

SE NE 9-4S-6W

Oil Gravity: 44

Duchesne County, UT
Lease No. 09-001942

Gas Gravity: BTU 1247/CF

1		2		3		4		5		6		7		8		9	
DATE		OIL PRODUCED BBLs		CUM OIL		GAS PRODUCED MCF		CUM GAS MCF		WATER PRODUCED		CUM WATER		GAS/OIL RATIO MCF/BBL		DAYS OF PRODUCTION	
November	78	12824		12824		5925		5925		--		--		460		15	
December		15679		28503		8613		14538		--		--		550		31	
January	79	13513		42016		7418		21956		--		--		549		31	
February		8693		50709		4867		26823		--		--		560		28	
March		9599		60308		5332		32155		--		--		555		31	
April		9962		70270		5064		37219		--		--		508		29	
May		7399		77669		3575		40794		--		--		483		31	
June		7792		85461		3219		44013		--		--		413		30	
July		9850		95311		4189		48202		--		--		425		31	
August		12326		107637		5602		53804		40		40		454		31	
September		11123		118760		5623		59427		180		220		506		30	
October		11101		129861		5214		64641		80		300		471		31	
November		10155		140016		4968		69629		100		400		489		30	
December		10917		150933		5054		74683		120		520		53		31	
January	80	9502		160435		3979		78662		160		680		419		31	
February		9937		170372		3953		82615		180		860		398		29	
March		10101		180473		4407		87222		160		1020		456		31	
April		9205		189678		14889		102111		120		1140		1617		28	
May		110289		199967		18552		120663		160		1300		1800		31	
June		110031		209998		12755		133418		160		1460		1272		30	
July		9552		219550		15252		148670		340		1800		1597		31	
August		8611		228161		15007		163677		210		2010		1743		31	
September		7522		235683		14185		177862		160		2170		1886		30	
October		7153		242836		15908		193770		160		2330		2224		31	
November		6880		249716		12597		206367		170		2500		197		30	
December		5394		254610		10135		216502		60		2560		1879		31	

Texaco Tribal 3-1

NW/NE 3-4S-6W

Duchesne County, Utah

Lease No. 09-001939

DATE	OIL PRODUCED BBLs	CUM OIL	GAS PRODUCED MCF	CUM GAS MCF	WATER PRODUCED	CUM WATER	GAS/OIL RATIO MCF/BBL	DAYS OF PRODUCTION
1 January, 1982	398	49437	592	166309	534	30659	1.487	30
2 February	282	49719	802	167111	395	31054	2.844	23
3 March	914	50633	4506	171617	1991	33045	4.93	22
4 April	156	51389	4377	175994	1721	34766	5.79	30
5 May	517	51906	3767	179761	1486	36252	7.286	29
6 June	485	52391	2744	182505	1139	37391	5.658	23
7 July	508	52899	3125	185630	1469	38860	6.152	31
8 August	534	53433	2649	188279	1094	39954	4.961	31
9 September	431	53864	2472	190751	1017	40971	5.735	30
10 October	416	54280	3006	193757	1070	42041	7.226	31
11 November	377	54657	2327	196084	1009	43050	6.172	30
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Texaco Tribal 3-1

NW/NE 3-4S-6W

Production Formation: Wasatch

Oil Gravity: 46

Duchesne County, UT
Lease No. 09-001939

BTU: 1110

WAPN WJ

1	2	3	4	5	6	7	8	9
DATE	OIL PRODUCED BBL'S	CUM OIL	GAS PRODUCED MCF	CUM GAS MCF	WATER PRODUCED	CUM WATER	GAS/OIL RATIO MCF/BBL	DAYS OF PRODUCTION
1 January 81	733	31737	3093	89893	679	12280	4220	31
2 February	775	32512	1971	91804	554	12834	2465	28
3 March	716	33228	2526	94330	649	13483	3577	31
4 April	474	33702	2183	96513	451	14134	4605	24
5 May	664	34366	2347	98860	831	14965	3585	25
6 June	575	34941	2606	101466	439	15404	4532	30
7 July	587	35528	3073	104539	497	15901	5235	31
8 August	578	36106	2900	107439	580	16481	5017	26
9 September	512	36618	2169	109608	546	17027	4736	29
10 October	517	37135	2002	111610	581	17608	5872	31
11 November	538	37673	2667	114277	598	18206	4957	30
12 December	366	38039	1747	115418	505	18711	3177	12
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15 January 82	640	38679	1602	117020	743	19454	2503	31
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17 March	472	39582	1502	120458	630	20677	3170	31
18 April	447	40034	2162	122620	645	21322	4837	30
19 May	432	40466	2179	124809	431	21753	5044	31
20 June	464	40930	1619	126428	505	22258	3489	30
21 July	397	41327	2303	127731	373	22631	5801	31
22 August	239	41566	2088	129819	468	23099	8736	27
23 September	642	42208	2507	132326	652	23751	4361	31
24 October	457	42665	2081	134407	473	24224	6741	31
25 November	134	42801	789	135196	245	24469	7272	10
26 December								
27								
28								
29 January 83	1439	44240	3421	140115	499	24968	2380	29
30 April	907	45147	4102	144217	1016	25984	5803	31
31 May	496	45643	4195	148412	755	26739	8458	29
1 June	532	45975	4694	153107	740	27479	8823	31
2 July	419	46394	4599	157706	731	27890	10243	31
3 August	439	46833	4383	162089	213	28103	9981	30
4 September	445	47278	1775	163864	436	28619	3981	28
5 October	398	47676	948	164812	455	29100	2382	29
6 November	449	48125	925	165737	615	30125	2082	31
7 December								
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Texaco Tribal 3-1

Production Formation: Wasatch

NW NE 3-4S-6W

Oil Gravity: 46

Duchesne County, UT

BTU: 1110

Lease No: 09-001939

1	2	3	4	5	6	7	8	9
DATE	OIL PRODUCED BBLs	CUM OIL	GAS PRODUCED MCF	CUM GAS MCF	WATER PRODUCED	CUM WATER	GAS/OIL RATIO MCF/BBL	DAYS OF PRODUCTION
December 78	450	450	3990	3990	--	--	8870	21
January 79	0	450	0	3990	--	--	0	(ST) 0
February	3981	4431	9728	13718	--	--	2444	27
March	1490	5921	1737	15449	785	785	3413	31
April	2310	8231	5862	21311	635	820	2538	29
May	887	9112	1419	22730	715	935	1611	31
June	3025	12137	5577	28307	1420	2355	1844	30
July	1662	13799	4369	32676	855	3210	2629	30
August	770	14569	1268	33944	0	3210	1646	31
September	1509	16078	3716	37660	826	4036	2462	30
October	684	16762	1089	38749	0	4036	1597	31
November	1192	17954	3334	42083	840	4876	2796	30
December	653	18607	2472	44560	29	4405	3793	Instal P. 21
January 80	1851	20458	4517	49077	878	5483	2210	29
February	1804	22262	5017	53988	820	6303	3843	29
March	1215	23477	4486	58474	414	6717	3692	30
April	1036	24513	3357	61831	495	7212	3240	30
May	915	25428	3155	64986	725	7937	3440	31
June	969	26397	4013	68999	620	8557	4141	30
July	968	27365	3451	72450	646	9203	3565	31
August	897	28262	2870	75320	557	9760	3200	31
September	756	29018	2888	78208	516	10276	3026	23
October	758	29776	3839	82047	836	11112	4581	25
November	826	30602	1861	83908	662	11774	2253	30
December	722	31324	3592	87500	627	12401	4975	27

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

IN THE MATTER OF	:	
GAS FLARING BY MONCRIEF OIL	:	O R D E R ✓
COMPANY FROM WELLS LOCATED	:	
IN TOWNSHIP 4 SOUTH,	:	Docket No. 84-083
RANGE 6 WEST, SLM,	:	Cause No. 196-7
DUCHESNE COUNTY, UTAH	:	

This matter was heard before the Board of Oil, Gas and Mining, on December 6, 1984 in the Board Hearing Room, 3 Triad Center, Suite 350, Salt Lake City, Utah 84180-1203.

The following members of the Board were present and participating:

Gregory P. Williams, Chairman
E. Steele McIntyre
Charles R. Henderson
Constance K. Lundberg
James W. Carter
Richard B. Larsen
John M. Garr

Present and representing the Division of Oil, Gas and Mining were Dr. Dianne R. Nielson, Director, and Ronald J. Firth, Associate Director, Oil and Gas. Present and representing the Board was David S. Christensen, Assistant Attorney General. Present and representing the Division was Barbara W. Roberts, Assistant Attorney General.

Moncrief Oil Company was not represented at the hearing but responded to the Board's Order to Show Cause by letter dated November 28, 1984 from P.G. Anderson, Production Manager.

FINDINGS

1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties as required by law and the rules and regulations of the Board.

2. The Board has jurisdiction over the subject matter of said Order to Show Cause and over all parties interested therein and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. The Board's Order in Cause No. 196-7, dated August 26, 1982, provided for the flaring of gas from Moncrief operated wells in Duchesne County for an indefinite period from that date.

4. The Board on March 22, 1984, interpreted Rule C-27 to mean that:

1. An operator need not obtain Board approval for the flaring of an average of 0-25MCF/day; and
 - 2) An operator may flare an average of 26-100 MCF/day for one month subsequent to the completion of the required seventy-two (72) hour test. Subsequent to that one-month period, no more than an average of 25 MCF/day may be flared without Board approval; and
 - 3) The operator must obtain prior Board approval whenever an average of 100 MCF/day or greater will be flared.
5. The Board finds no cause why the Order in Cause No. 196-7 should not be revoked.

O R D E R

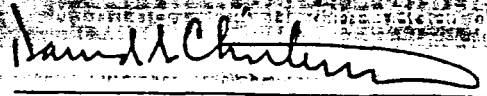
Based upon the above findings, the Board hereby Orders that:

1. The Board Order entered in Cause No. 196-7 on August 22, 1982, be revoked.
2. The wells operated by Moncrief Oil Company be brought by December 16, 1984, into compliance with Rule C-27 as that rule has been interpreted by the Board.

DATED this 4th day of January, 1985.


GREGORY P. WILLIAMS, Chairman

Approved as to form


DAVID S. CHRISTENSEN
Assistant Attorney General

THE OIL AND GAS CONSERVATION
GENERAL RULES AND REGULATIONS
AND
RULES AND PRACTICE AND PROCEDURE
(Amended to January 1, 1982)

By Order of:
BOARD OF OIL, GAS AND MINING

RULE C-27 - ASSOCIATED GAS FLARING - Within twenty (20) days following the completion or recompletion of an oil well, the operator shall file with the Board the results of a stabilized production test of at least 72 hours duration showing the average daily oil production and average daily gas production during the test period. If the average daily gas production exceeds 25 MCFG and the operator intends to flare or otherwise waste the associated gas, the well may not produce more than an average of 100 MCFG per day for one calendar month or until such time as further relief may be granted by the Board. If the operator wishes to flare more than an average of 100 MCFG per day after one calendar month, the operator must submit with the production test results, a statement justifying the need to flare or otherwise waste more than that amount. The statement should include such information as a gas analysis, estimated gas reserves, proximity of the well to a market, estimated gas price at the nearest market, estimated cost of marketing the gas, reinjection potential or other conservation-oriented disposition alternatives, amount of gas used in lease operations and any other information pertinent to a determination of whether marketing or not marketing or otherwise conserving the associated gas is economically feasible.

The Board will review the justification statement at its next regularly scheduled meeting. The Board may elect to: (1) docket a hearing for the operator to show further cause why it should be allowed to flare or otherwise waste more than an average of 100 MCFG per day for one calendar month, (2) restrict production until the gas is marketed or otherwise beneficially utilized in which case the operator may docket a hearing on its own behalf to seek further relief, or (3) take any other action the Board deems appropriate in the circumstances.

RULE C-27

Interpretation approved by the Board of Oil, Gas and Mining,
March 22, 1984:

- a) Flaring of an average of 0-25 MCF/day - Operator need not obtain Board approval for flaring at this level.
- b) Flaring of an average of 26-100 MCF/day - Operator may continue to flare at this level without Board approval for one (1) month, (e.g. from the 12th day of March to the 12th day of April) subsequent to the completion of the seventy-two (72) hour test. At the end of the one (1) month period, no more than an average of 25 MCF/day may be flared without Board approval.
- c) Flaring of an average of more than 100 MCF/day - Operator must first obtain Board approval for flaring at this level.



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

March 18, 1985

Moncrief Oil Company
P.O. Box 2573
Casper, Wyoming 82602

Gentlemen:

RE: Request to Flare Associated Gas, Well No. Bates 9-1
Texaco Tribal 3-1, T.4S, R.6W, Duchesne County, Utah.

The Board of Oil, Gas and Mining has reviewed the justification statement for flaring from the subject wells presented during the briefing session for the Board on February 28, 1985. The Board has authorized the Division to administratively regulate flaring in excess of that permitted by Rule C-27, of the General Rules and Regulations of the Board. With this authority, the Division has determined that Moncrief may continue to produce and flare associated gas from the subject wells on a temporary basis.

The Division will continue to monitor changes in technical or economic conditions related to flaring of these wells. Factors which will be evaluated in order to allow continued flaring of the wells will include:

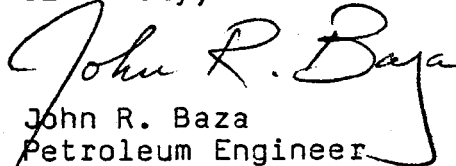
1. changes in exploration and development for oil and gas reserves in the area;
2. changes in economic conditions which may impact liability or gas sales;
3. changes in the amount of rate of flaring or
4. any other related factors.

Please note that with sufficient justification, the Division may recommend that the Board reevaluate Moncrief's request to flare and require additional justification for continued flaring from the wells. Moncrief will be notified in the event that more information is necessary or that a hearing is docketed.

Page 2
Moncrief Oil Company
Request to Flare
March 18, 1985

Please contact this office if you have any additional questions,
thank you for your consideration in this matter.

Sincerely,


John R. Baza
Petroleum Engineer

cc: D.R. Nielson
R.J. Firth
Well File
0090T-50-51

BEFORE THE BOARD OF OIL, GAS AND MINING

DEPARTMENT OF NATURAL RESOURCES

STATE OF UTAH

IN THE MATTER OF	:	
GAS FLARING BY MONCRIEF OIL	:	O R D E R
COMPANY FROM WELLS LOCATED	:	
IN TOWNSHIP 4 SOUTH,	:	Docket No. 84-083
RANGE 6 WEST, SLM,	:	Cause No. 196-7
DUCHESNE COUNTY, UTAH	:	

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FINDINGS

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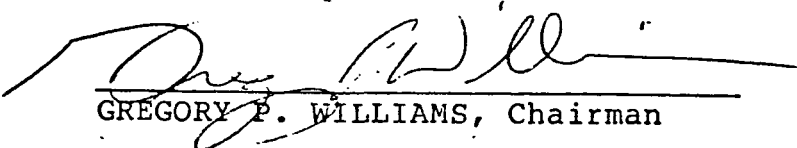
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O R D E R

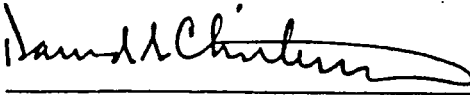
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DATED this 4th day of January, 1985.


GREGORY P. WILLIAMS, Chairman

Approved as to form:


DAVID S. CHRISTENSEN
Assistant Attorney General

THE OIL AND GAS CONSERVATION
GENERAL RULES AND REGULATIONS
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(Amended to January 1, 1982)

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TRACT 14000 3-1
NW NE 3-4S-6W
Duchesne County, UT
Lease No. 09-001939

PRODUCER CONNECTION: WELLS
Oil Gravity: 46
BTU: 1110

1	2	3	4	5	6	7	8	9
DATE	OIL PRODUCED BBLs	CUM OIL	GAS PRODUCED MCF	CUM GAS MCF	WATER PRODUCED	CUM WATER	GAS/OIL RATIO MCF/BBL	DAYS OF PRODUCTION
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March	1490	5921	1731	15449	185	185	3413	31
April	2310	8231	5862	21311	635	820	2338	29
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August	770	14569	1268	33944	0	3210	1446	31
September	1509	16078	8716	37660	826	4036	2462	30
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December	553	18407	2477	44560	29	4405	3593	INSTR. P. 21
January 80	1951	20358	4317	48877	878	5183	2270	29
February	1804	22162	5011	53888	220	5403	3843	29
March	1215	23377	4486	58374	414	5917	3692	30
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July	968	27265	3451	72950	646	8403	3555	31
August	897	28162	2870	75820	557	8960	3200	31
September	756	28918	2288	78108	516	9476	3026	23
October	838	29756	3839	81947	836	10312	4581	25
November	826	30582	1861	83808	462	10774	2253	30
December	722	31304	3592	87400	427	11201	4975	27

NW/NE 3-4S-6W

Oil Gravity: 46

Duchesne County, UT
Lease No. 09-001939

BTU: 1110

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19 May	432	40466	2179	124829	431	21753	5044	31
20 June	464	40930	1619	126448	505	22258	3489	30
21 July	397	41327	2303	128751	373	22631	5801	31
22 August	237	41564	2288	130939	468	23099	8736	27
23 September	612	42176	2280	133219	463	23562	4361	21
24 October	457	42633	2281	135500	473	24035	1741	27
25 November	421	43054	287	135787	514	24549	222	10
26 December								
27								
28								
29 January 83	SI							
30 April	1439	44493	3421	140115	499	24978	2380	29
31 May	707	45200	4102	144217	1016	25994	3803	31
1 June	496	45696	4195	148412	735	26729	8458	21
2 July	532	46228	4694	153107	780	27509	8823	31
3 August	414	46642	4599	157706	731	28240	10243	31
4 September	439	47081	4383	162089	813	29053	9141	30
5 October	445	47526	1775	163864	436	29489	3921	28
6 November	398	47924	348	164212	455	29944	2382	29
7 December	441	48365	325	164537	615	30559	2082	31
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Texaco Tribal 3-1

NW/NE 3-4S-6W

Duchesne County Utah
Lease No. 09-001939

DATE	OIL PRODUCED BBLs	CUM OIL	GAS PRODUCED MCF	CUM GAS MCF	WATER PRODUCED	CUM WATER	GAS/OIL RATIO MCF/BBL	DAYS OF PRODUCTION
1 January, 1982	398	49437	592	166309	534	30659	1.487	30
2 February	282	49719	802	167111	395	31054	2.844	23
3 March	914	50633	4506	171617	1991	33045	4.93	22
4 April	256	51389	4377	175994	1721	34766	5.79	30
5 May	517	51906	3767	179761	1486	36252	7.286	29
6 June	485	52391	2744	182505	1139	37391	5.658	23
7 July	508	52899	3125	185630	1469	38860	6.152	31
8 August	534	53433	2649	188279	1094	39954	4.961	31
9 September	431	53864	2478	190751	1017	40971	5.735	30
10 October	416	54280	3006	193757	1070	42041	7.226	31
11 November	377	54657	2327	196084	1009	43050	6.172	30
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Bates 9-1

Production Formation: Wasatch

SE NE 9-4S-6W

Oil Gravity: 44

Duchesne County, UT
Lease No. 09-001942

Gas Gravity: BTU 1247/CF

DATE	OIL PRODUCED BBLs	CUM OIL	GAS PRODUCED MCF	CUM GAS MCF	WATER PRODUCED	CUM WATER	GAS/OIL RATIO MCF/BBL	DAYS OF PRODUCTION
November 78	12824	12824	5925	5925	--	--	460	15
December	15679	28503	8613	14538	--	--	550	31
January 79	13513	42016	7418	21956	--	--	549	31
February	8693	150709	4867	26823	--	--	560	28
March	9599	60308	5332	32155	--	--	555	31
April	9962	70270	5064	37219	--	--	508	29
May	7399	77669	3575	40794	--	--	483	31
June	7792	85461	3219	44013	--	--	413	30
July	9350	95211	4189	48202	--	--	425	31
August	12326	107537	5602	53804	40	40	454	31
September	11123	118760	5623	59427	180	220	506	30
October	11101	129861	5224	64651	80	300	471	31
November	10155	140016	4968	69620	100	400	489	30
December	10917	150933	5054	74674	120	520	5	31
January 80	9502	160435	3979	78653	160	680	419	31
February	9937	170372	3953	82606	180	860	398	29
March	10101	180473	4407	87013	160	1020	456	31
April	9205	189678	4389	91402	120	1140	1617	28
May	10289	199967	4552	95954	160	1300	1800	31
June	10031	209998	4255	100209	160	1460	1272	30
July	9552	219550	4252	104461	240	1800	1597	31
August	8611	228161	4507	108968	210	2010	1743	31
September	7522	235683	4185	113153	160	2170	1885	30
October	7153	242836	3508	116661	160	2330	222	31
November	6380	249216	3297	119958	170	2500	197	30
December	5894	255110	3035	123000	60	2560	1874	31

Bates 9-1

SE/NE 9-4S-6W

Duchesne County, UT
Lease No. 09-001932

Production Formation

Oil Gravity: 44

Gas Gravity: BTU 1247/CF

DATE	OTL PRODUCED BBLs	CUM OTL	GAS PRODUCED MCF	CUM GAS MCF	WATER PRODUCED	CUM WATER	GAS/OTL RATIO MCF/BBL	DAYS OF PRODUCTION
January 81	4922	259532	8679	226637	80	2640	1763	31
February	4175	263807	7583	234220	80	2720	1773	28
March	4402	268209	9797	244017	00	2820	2225	31
April	2807	271016	5564	249581	80	2900	1982	28
May	268	271284	33	249614	0	2900	1231	14
June	87	271371	185	249799	0	2900	2126	9
July	0	271371	0	249799	0	2900	0	(WOPU) 0
August	43	271414	201	250000	0	2900	4674	(WOPU) 2
September	385	271789	233	250233	104	3604	605	Inst. cap. pu 5
October	4861	275850	1173	251406	1417	5021	288	31
November	3401	279451	1825	252831	1012	6033	396	30
December	2328	281979	1533	254364	1075	7308	608	31
January 82	2175	284154	1218	255582	1147	8455	560	29
February	1731	285885	1119	256701	925	9378	646	27
March	1985	287870	1112	257813	882	10260	560	31
April	1956	289826	1288	259102	859	11119	659	30
May	1678	291504	1208	260306	827	11946	711	31
June	1448	292952	1090	261396	803	12749	751	30
July	1818	294770	1198	262594	800	13549	657	31
August	1303	296073	123	263723	592	14141	823	31
September	1251	297324	884	264607	594	14735	707	30
October	657	297980	574	265181	485	15220	569	18
November	1121	299101	631	265812	1114	16334	559	26
December	122	299223	731	266543	881	17215	572	31
January 83	1159	300382	438	266981	716	17931	377	31
February	1057	301439	377	267358	533	18464	357	28
March	1134	302573	357	267715	636	19100	315	30
April	1189	303762	372	268087	601	19701	600	30
May	841	304603	1450	269537	564	20265	1699	31
June	1209	305812	1123	270660	512	20777	753	30
July	1277	307089	5496	276156	547	21324	4304	31
August	1240	308329	805	276961	746	22070	449	31
September	4753	313082	1105	278066	566	22636	2351	27
October	4748	317830	1107	279173	400	23036	232	30
November	3360	321190	1338	280511	537	23573	483	30
December	3325	324515	5341	285852	698	24271	1000	21

Bates 9-1
SE/NE 9-4S-6W

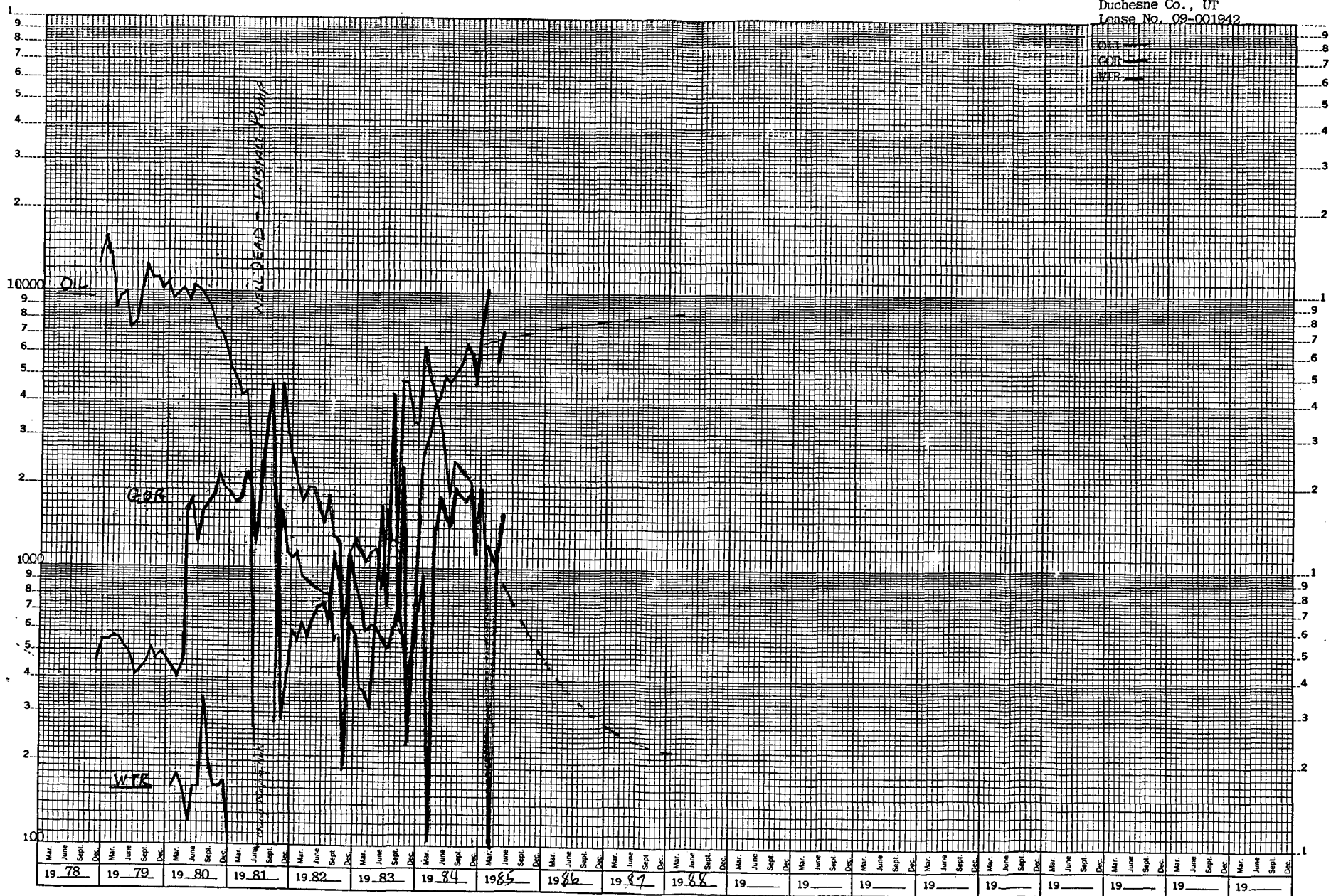
Production Formation
Oil Gravity: 44

Duchesne County, Utah
Lease No. 09-001947

Gas Gravity: BTU 1247/CF

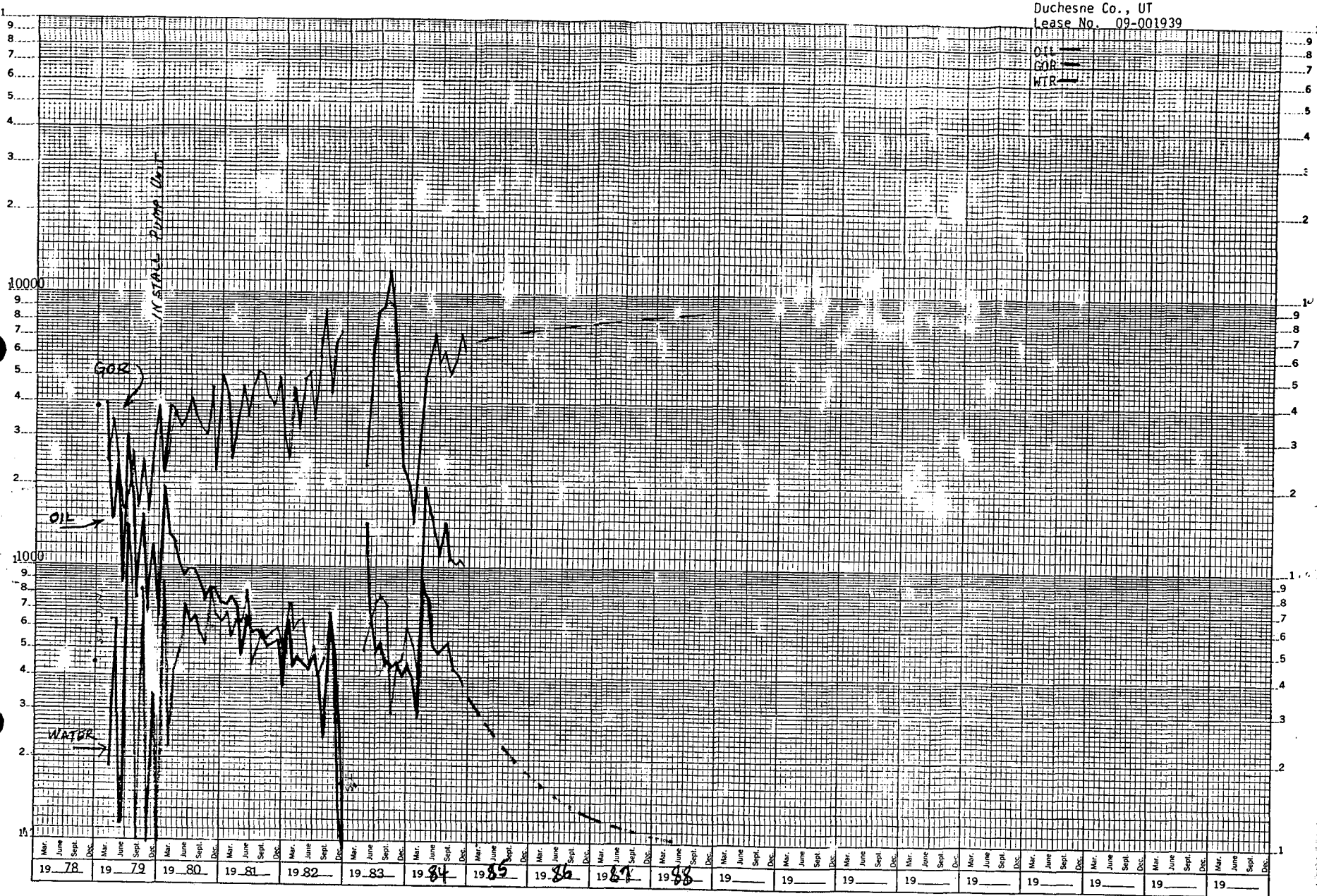
DATE	OIL PRODUCED BBLs	CUM OIL	GAS PRODUCED MCF	CUM GAS MCF	WATER PRODUCED	CUM WATER	GAS/OIL RATIO MCF/BBL	DAYS OF PRODUCTION
1 January, 1982	6268	332309	16151	312560	970	24941	2.577	31
2 February	4851	337160	14531	327091	193	25044	2.995	29
3 March	4228	341388	16446	343537	1430	26474	3.89	31
4 April	3438	344826	14491	358028	1816	28290	4.215	30
5 May	2609	347435	13192	371220	1687	29977	5.056	28
6 June	1854	349289	8762	379982	1479	31456	4.726	25
7 July	2921	351710	12285	392267	1962	33418	5.074	30
8 August	2324	354034	12700	404967	1858	35276	5.465	27
9 September	2231	356265	14322	419289	1759	37035	6.420	30
10 October	2063	358328	12500	431789	1922	38957	6.059	30
11 November	1221	359549	5722	437511	1171	40128	4.686	21
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Barrels Per Month & Gas-Oil Ratio /Bbl



Barrels Per Month (as-Oil) Range CF/Bbl

TEXACO INTEREST
NW NE 3-4S-6W
Duchesne Co., UT
Lease No. 09-001939





STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

August 21, 1985

TO: Dianne R. Nielson, Director
THROUGH: R. J. Firth, Associate Director *RJF*
FROM: John R. Baza, Petroleum Engineer *SRB*
RE: Gas Flaring by Moncrief Oil Company, Docket No.84-083,
Cause No.196-7.

This Memorandum presents a status report and recommendations concerning the flaring of associated gas from two wells operated by Moncrief in Duchesne County. The wells are the Texaco Tribal 3-1 in Sec.3, T.4S, R.6W and the Bates 9-1 in Sec.9, T.4S, R.6W. These wells were reviewed by the Board in February, 1985, to consider gas flaring in excess of Rule C-27. Based on an economic forecast prepared and other mitigating factors cited by Moncrief, the operator was given approval to flare gas as required, and both wells continue to flare gas at a combined rate in excess of 500 MCF/D. Because gas production does not appear to be declining as rapidly as projected by the operator, the economic justification for flaring gas presented to the Board in February may no longer be valid. Therefore, it is recommended that the Division require Moncrief to submit a new economic evaluation justifying continued gas flaring.

The attached tables provide all the information available to date constituting the production and disposition histories for the two wells. The latest information available when the Board reviewed this matter in February was through September, 1984. Since then, updated production and disposition information has been received which indicates that gas production from both wells remains high. Although oil production has declined over the last year, the producing gas-oil ratio (GOR) has increased, resulting in very little net change in gas production. At current producing rates and GOR, the amount of gas being produced is roughly equal in value to the amount of oil produced, based on Moncrief's price figures for oil and gas.

Page Two
Dianne R. Nielson
August 21, 1985

An additional attachment presents Moncrief's economic forecast presented to the Board in February. the combined production indicated for the two wells in 1985 is 12,480 BO and 96,960 MCFG. From current production figures available to the Division, it is estimated that 1985 production may be as much as 18,000 BO and 156,000 MCFG. Thus, the original economic forecast may no longer be valid and it may in fact be economically feasible to install a gathering system for produced gas. For this reason, the Division should require Moncrief to provide an updated economic evaluation of gas flaring.

Other factors were presented during the February Board hearing which may still have relevance in this matter. Specifically, there are some problems with the pipeline crossing a river which may still render a gathering system unfeasible. If this is the case, and economics are not the sole basis for justifying gas flaring, then it may be up to the Board to determine whether waste is occurring from continued flaring; however, a first step is to reconsider at least the economic rationale for allowing flaring in the first place.

sb
Attachments
cc: R.J. Firth
Well File
0155T-20-21

WELL NO. Texaso Tract 3-1 SEC. 3 1/4
 LEASE _____ API# 43013 30468

DATE 12/2/78 GOR 14000
 BO 100 MCF GAS 1400 BBL WATER 0

MONTH	DAYS PRODUCED	BBLS OIL	MCF GAS	BBL WATER		MCF FLARED	MCF FLARED/D	MCF USED ON LEASE	MCF SOLD	GOR
JANUARY	21	257	1349	533		1253	60	96		524
FEBRUARY	0	0	0	0		0		0		—
MARCH	21	420	3192	544						60
APRIL	30	463	2069	1462						446
MAY										
JUNE										
JULY										
AUGUST										
SEPT.										
OCTOBER										
NOV.										
DECEMBER										

--- PRODUCTION ---

--- DISPOSITION ---

OPERATOR MONCREIF OIL TOWNSHIP 4S RNG 6W
 WELL NO. TEXACO TRIBAL 3-1 SEC. 3 $\frac{1}{4}$ NWNE
 LEASE INDIAN API# 43-013-30468

IP TEST DATA:

DATE 12/3/78 GOR 14,000 CF/bbl
 BO 100 MCF GAS 1400 BBL WATER -0-

MONTH	DAYS PRODUCED	BBLS OIL	3.2 MCF GAS	BBL WATER
JANUARY	30	398	592	534
FEBRUARY	23	282	802	395
MARCH	22	914	4506	1991
APRIL	30	756	4377	1721
MAY	29	517	3767	1486
JUNE	23	485	2744	1139
JULY	31	508	3125	1469
AUGUST	31	534	2649	1094
SEPT.	30	431	2472	1017
OCTOBER	31	416	3006	1670
NOV.	30	377	2327	1009
DECEMBER	31	448	2529	1010

PRODUCTION

DISPOSITION

MCF FLARED	MCF FLARED/D	MCF USED ON LEASE	MCF SOLD	GO
* 472	16	120	-0-	1487
* 713	31	89	-0-	2844
* 3958	180	287	-0-	4930
** 4199	140	178	-0-	5790
** 3624	125	143	-0-	728
** 2624	114	120	-0-	565
2910	94	215	-0-	615
2465	80	184	-0-	496
2306	77	166	-0-	573
2835	91	171		722
2166	72	161		617
2361	76	168		56

WELL NO. TEXACO TRIBAL 3-1 SEC. 3 4/4 NWNE

LEASE INDIAN API# 43-013-30468

IP TEST DATA:

DATE 12/3/78

GOR 14,000

BO 100

MCF GAS 1400

BBL WATER 0

MONTH	DAYS PRODUCED	BBLS OIL	MCF GAS	BBL WATER		MCF FLARED	MCF FLARED/D	MCF USED ON LEASE	MCF SOLD	GOR
JANUARY	SHUT-IN									
FEBRUARY	SHUT-IN									
MARCH	SHUT-IN									
APRIL	29	1439	3426	499		3217	111	209	0	2381
MAY	31	707	4103	616		3947	127	156	0	5803
JUNE	24	496	4159	755		4017	167	142	0	8385
JULY	31	532	4694	790		4552	147	142	0	8823
AUGUST	31	449	4599	731		4456	144	143	0	10243
SEPT.	30	439	4383	293		4317	144	66	0	9984
OCTOBER	28	445	1745	436		1672	60	73	0	3921
NOV.	29	398	948	455		836	129	112	0	2382
DECEMBER	31	449	935	615		802	26	133	0	2082

WELL NO. Bates 9-1 SEC. 9 1/1
LEASE _____ API# 4301330469

Entity # 530 DATE 11/18/73 GOR 83.1
BO 1056 MCF GAS 850 BBL WATER 0

MONTH	DAYS PRODUCED	BBLs OIL	MCF GAS	BBL WATER	DISPOSITION	MCF FLARED	MCF FLARED/D	MCF USED ON LEASE	MCF SOLD	GOR
JANUARY	21	1143	11591			11382	542	209	0	10141
FEBRUARY	0	0	0	0		0	0	0	0	—
MARCH	26	1263	7094							561
APRIL	30	1557	11196							719
MAY										
JUNE										
JULY										
AUGUST										
SEPT.										
OCTOBER										
NOV.										
DECEMBER										

OPERATOR MONCREIF OILTWN^{SH}P 4S RNG 6WWELL NO. BATES 9-1SEC. 9 $\frac{1}{4}$ / $\frac{1}{4}$ SE/NELEASE FEEAPI# 43-013-30469

IP TEST DATA:

DATE 11/18/78 GOR 804 CF/bblBO 1056 MCF GAS 850 BBL WATER -0-

	PRODUCTION					DISPOSITION				
	MONTH	DAYS PRODUCED	BBLS OIL	88.5 MCF GAS	BBL WATER	MCF FLARED	MCF FLARED/D	MCF USED ON LEASE	MCF SOLD	GO
	JANUARY	31	6268	16,151	970	* 15,463	499	688	-0-	2577
	FEBRUARY	29	4851	14,531	103	* 14,050	484	481	-0-	2995
	MARCH	31	4228	16,446	1430	* 15,900	513	546	-0-	3890
	APRIL	30	3438	14,491	1816	** 13,901	463	590	-0-	4215
	MAY	28	2609	13,192	1687	** 12,692	453	500	-0-	5056
	JUNE	25	1854	8,762	1479	** 8,378	335	384	-0-	4726
	JULY	30	2421	12,285	1962	11,855	395	430	-0-	5074
	AUGUST	27	2324	12,700	1858	12,292	455	408	-0-	5465
	SEPT.	30	2231	14,322	1759	13,927	464	395	-0-	6420
	OCTOBER	30	2063	12500	1922	12105	404	395	0	605
	NOV.	21	1221	5722	1171	5487	261	235	0	468
	DECEMBER	31	1941	13304	2103	13403	432	401	0	7111

WELL NO. HATES 9-1SEC. 9 W/4 SENEDATE 11/18/78GOR 804LEASE API# 43-013-30469BO 1056MCF GAS 850BBL WATER 0

	MONTH	DAYS PRODUCED	BBLS OIL	MCF GAS	BBL WATER		MCF FLARED	MCF FLARED/D	MCF USED ON LEASE	MCF SOLD	GOR
PRODUCTION	JANUARY	31	1159	438	716		232	7	206	0	378
	FEBRUARY	28	1057	377	583		176	6	201	0	35
	MARCH	30	1134	357	636		162	5	195	0	19
	APRIL	30	1189	712	601		515	17	197	0	599
	MAY	31	841	1429	564		1289	42	140	0	16
	JUNE	30	1609	1212	512		1014	34	198	0	75
	JULY	31	1277	5496	547		5295	171	201	0	43
	AUGUST	31	1240	805	746		598	19	207	0	64
	SEPT.	22	4733	11165	566		10424	474	741	0	23
	OCTOBER	30	4748	1107	400		641	21	466	0	23
	NOV.	30	3360	1638	537		1251	42	387	0	48
	DECEMBER	31	3325	5341	698		4942	159	399	0	16

DISPOSITION

ECONOMIC FORECAST - GAS GATHERING PROPOSAL
SOUTH CEDAR RIM AREA 4S-6W DUCHESNE COUNTY, UTAH

										Gas Line Inv. \$340M	
Year	Lease and Well	Oil BBLs	Gas MCF	Gas Used On Lease MCF	Gas Avail. For Sale MCF	Oil Income @ \$13.67/BBL M\$	Gas Income @ \$2.05/MCF M\$	Direct Op. Expense M\$	Net Oper. Income M\$	Net Cash Flow M\$	Discounted Cash Flow @ 12%
1985	Bates 9-1	9,600	75,800	3,000	72,800	131	149	90	190		
	Texaco Tribal 3-1	2,880	20,160	2,100	18,060	39	37	66	10		
									200	-140	*
1986	Bates 9-1	4,320	41,900	2,500	39,400	59	81	90	50		
	Texaco Tribal 3-1	1,740	13,200	1,900	11,300	24	23	66	-19		
									31	-109	*
1987	Bates 9-1	2,880	31,700	2,300	29,400	39	60	90	9		
	Texaco Tribal 3-1	Shut-in - Below Economic Limit									
									9	-100	*

Notes:

*Not Calculated - Investment in Gas Gathering System does not Payout.

Oil Price: \$20/BBL less Royalty, Orr Severance and Ad Valorem Taxes.

Gas Price: \$3/MCF less Royalty, Orr Severance and Ad Valorem Taxes.

Royalty	16.67%
Orr	5.00%
Severance and Ad Valorem Tax	10.00%
	31.67%

∴ Net R.I. = 1 - .3167 = 0.6833

8/6/85
JRB

Moncrief Oil Co.

Bates 9-1, Sec. 9, T4S, R6W

Texaco Tribal 3-1, Sec. 3, T4S, R6W

Duchesne Co.

Both wells currently have GOR greater than 2000. Combined gas flared from both wells is approx. 12000 Mcf per month. Gas production does not appear to be declining at the rate projected. Thus, economics of gas collection & sales are very conservative. If other factors are a consideration, then simple economics may not provide good justification for flaring gas.

Recommendation: Request an updated economic scenario from Moncrief describing costs & other considerations for gas flaring.



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

August 21, 1985

Moncrief Oil Company
P.O. Box 2573
Casper, Wyoming 82602

Gentlemen:

RE: Gas Flaring at Well No. Texaco Tribal 3-1, Sec.3, and Bates 9-1, Sec.9, T.4S, R.6W, Duchesne County, Utah

The Division staff has monitored production and disposition reports for the referenced wells as stated in the letter of approval to flare gas dated March 18, 1985. The staff has determined that production does not appear to be declining as rapidly as projected by Moncrief in their previously prepared economic forecast. A copy of said forecast is enclosed for your information. Therefore, the Division requests that Moncrief submit an updated economic evaluation justifying the need to flare additional gas from the two wells. As part of the evaluation, Moncrief should state any other mitigating factors which would render the beneficial use of the produced gas unfeasible. The Division staff will review Moncrief's response and brief the Board of Oil, Gas and Mining as necessary.

A review of the recent production and disposition history for the two wells indicates that gas is currently being flared in excess of 500 MCF/D. It also appears that although oil production has declined somewhat, the producing gas-oil ratio (GOR) has increased, resulting in very little net change in gas production. By Moncrief's estimates of oil and gas prices, the amount of gas being produced is roughly equivalent to the value of oil produced. It is estimated that oil and gas production for both wells in 1985 may be as high as 18,000 BO and 156,000 MCFG which is substantially higher than the figures presented in Moncrief's economic forecast.

Page Two
Moncrief Oil Company
August 21, 1985

Because the economic justification to flare gas may no longer be valid, the Division requests an updated justification statement. The statement should include current estimates for construction and operation of a gathering system, a production forecast based on current production and GOR trends, similar information as presented on the last economic forecast, and any other mitigating factors which would render a gathering system unfeasible. The Division staff will review all information presented and inform Moncrief if any further action is necessary. Moncrief should continue to produce both wells until otherwise informed.

Your prompt response to this request is appreciated. Please contact this office if any further information is needed.

Best Regards,

FR *RJ Firth*
Dianne R. Nielson
Director

JRB/sb
Enclosures
cc: R. J. Firth
Well File
0155T-18-19

MONCRIEF OIL

P.O. BOX 2573
CASPER, WYOMING 82602
307-237-2541

September 6, 1985

RECEIVED

SEP 16 1985

DIVISION OF OIL
GAS & MINING

State of Utah
Natural Resources
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Gas Flaring
Texaco Tribal 3-1
Bates 9-1 45.4W.9
Duchesne County, Utah

Gentlemen:

In regard to your letter of August 21, 1985, we have again reviewed the performance of the two subject wells. Although the oil production is not declining as rapidly as previously projected we have not changed our opinion as to the economic viability of the proposed gas line i.e., there are insufficient gas reserves to justify the installation of this gas line.

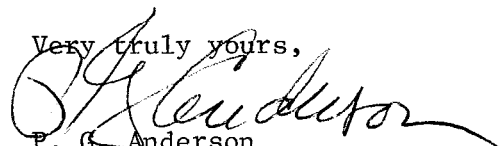
Contrary to the figures mentioned in your letter that there is in excess of 500 MCF/D being flared from these two wells, our measurements indicate the Bates 9-1 is flaring approximately 320 MCF/D and the Texaco Tribal 3-1 is flaring approximately 70 MCF/D for a total of 390 MCF/D.

A revised economic forecast is presented based on a slightly more optimistic decline. However it should be recognized that these wells are high operating cost wells and at the present time only the Bates 9-1 is producing sufficient oil to warrant continued operation. The Texaco Tribal 3-1 is now at or below the economic limit and should we have another major equipment or tubular break down in the near future the well will probably be shut-in as uneconomical to produce.

In our opinion, the remaining life of these two wells is very tentative and we do not feel it would be prudent to invest \$300+M in a gas line to gather this gas.

We trust the foregoing is the information you seek. If you need further information please advise.

Very truly yours,


P. G. Anderson
Production Manager

PGA:jh

cc: WI Owners (address list attch.)

RECEIVED

SEP 16 1985

DIVISION OF OIL
GAS & MINING

BATES 9-1 and TEXACO TRIBAL 3-1

WORKING INTEREST OWNERS

Moncrief Oil
P.O. Box 2573
Casper WY 82602

Moncrief Oil
Moncrief Building
Ninth at Commerce
Fort Worth TX 76102

Gulf Oil Corporation
P.O. Box 2619
Casper WY 82602

Texaco, Inc.
P.O. Box 2100
Denver CO 80201

Koch Exploration Co.
One Park Central
Suite 530
1515 Arapahoe St.
Denver CO 80202

Dennis G. Smith
4400 Coldwater Canyon Ave.
Suite 200
Studio City CA 91604

Juanita C. Smith
1476 S. Wasatch Dr.
Salt Lake City UT 84116

ECONOMIC FORECAST - GAS GATHERING
SOUTH CEDAR RIM AREA 4S-6W DUCHESNE COUNTY, UTAH

Gas Line Inv. \$340M

<u>Year</u>	<u>Lease and Well</u>	<u>Oil BBLs</u>	<u>Gas MCF</u>	<u>Gas Used On Lease MCF</u>	<u>Gas Avail. For Sale MCF</u>	<u>Oil Income @\$13.67/BBL M\$</u>	<u>Gas Income @\$2.05/MCF M\$</u>	<u>Direct Op. Expense M\$</u>	<u>Net Oper. Income M\$</u>	<u>Net Cash Flow-Gas M\$</u>	<u>(sales only)</u>
	(4th Qtr. Only)										
1985	Bates 9-1	3,900	24,300	1,000	23,300	53	50	23	80		
	Texaco Tribal 3-1	930	6,400	500	5,900	13	<u>13</u> 63	17	9		
										-277	
1986	Bates 9-1	12,000	77,000	4,000	73,000	164	150	94	220		
	Texaco Tribal 3-1	3,360	24,000	1,800	22,200	46	<u>46</u> 196	68	24		
										- 81	
1987	Bates 9-1	7,800	54,000	4,000	50,000	107	103	94	116		
	Texaco Tribal 3-1	SHUT-IN BELOW ECONOMIC LIMIT					<u>103</u>				
										+ 22	

NOTES:

Direct Operating Expense (Based on last 24 months actual expense)

Bates 9-1: \$7800/month

Texaco Tribal 3-1: \$5700/month

Oil Price: \$20/BBL less Royalty, ORR Severance and Ad Valorem Taxes.

Gas Price: \$3/MCF less Royalty, ORR Severance and Ad Valorem Taxes.

Royalty 16.67%

ORR 5.00%

Severance and Ad Valorem Tax 10.00%

31.67%

* Net R.I. = 1 - .3167 - 0.6833

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil ☒ gas ☐ other ☐
2. NAME OF OPERATOR
W. A. Moncrief
3. ADDRESS OF OPERATOR
P. O. Box 2573, Casper, WY 82602
4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: SE/NE (745' FEL, 2268' FNL)
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH: 8040'

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:	SUBSEQUENT REPORT OF:
TEST WATER SHUT-OFF <input type="checkbox"/>	<input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	<input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	<input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	<input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	<input type="checkbox"/>
MULTIPLE COMPLETE <input type="checkbox"/>	<input type="checkbox"/>
CHANGE ZONES <input type="checkbox"/>	<input type="checkbox"/>
ABANDON* <input type="checkbox"/>	<input checked="" type="checkbox"/>
(other) Change of ownership and operator	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

On January 31, 1986, W. A. Moncrief finalized the sale of his Working

Interest effective October 28, 1985 to Mssrs. Darrel Hadden and Thomas

D. Harrison, P. O. Box 293, Duchesne, UT 84021.

Bond was not valid 6-24-86

Subsurface Safety Valve: Manu. and Type

Set @ _____ Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED W. A. Moncrief TITLE Production Manager DATE February 3, 1986

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

MONCRIEF OIL

February 3, 1986

P.O. BOX 2573
CASPER, WYOMING 82602
307-237-2541

WORKING INTEREST OWNERS
BUCK KNOLL AREA WELLS
DUCHESNE COUNTY, UTAH
(Address List Attached)

RECEIVED
FEB 06 1986

DIVISION OF
OIL, GAS & MINING


Re: Texaco Tribal 3-1
Bates 9-1
Reimann 10-1
Koch Tribal 11-1
Gulf Tribal 15-1
T4S-R6W, Duchesne County, Utah

Ladies and Gentlemen:

Please be advised W. A. Moncrief et al has sold its working interest in the above five wells effective October 28, 1985 to Mssrs. Hadden and Harrison of Duchesne, Utah. Please direct any further correspondence in regard to the above wells to the new owners.

As to the Reimann 10-1 and Koch Tribal 11-1 wells, Koch Exploration Company, operator of these two wells, is hereby advised of this sale and all expenses and revenue should be apportioned accordingly.

Yours very truly,


P. G. Anderson
Production Manager

PGA/dmb

Enclosures

cc: Texaco Trading and Transportation, Inc.
Chase Industries
W. A. Moncrief, Jr.
Kay Martin
State of Utah
Ute Indian Tribe
Bureau of Land Management

BUCK KNOLL AREA WELLS
DUCHESNE COUNTY, UTAH
WORKING INTEREST OWNERS

Moncrief Oil
Moncrief Building
Ninth at Commerce
Fort Worth, TX 76102

Chevron, USA
Attn: W. J. Mansfield
P. O. Box 599
Denver, CO 80201

Texaco, Inc.
P. O. Box 2100
Denver, CO 80201

Koch Exploration Co.
One Park Central
Suite 530
1515 Arapahoe St.
Denver, CO 80202

Dennis G. Smith
4400 Coldwater Canyon Ave.
Suite 200
Studio City, CA 91604

Juanita C. Smith
1476 S. Wasatch Dr.
Salt Lake City, UT 84116

Fawn B. Coltharp
3707 Cold Point Drive
Salt Lake City, UT 84109

Lorraine Shelton
5321 Chiquita Lane
San Bernadino, CA 92404

Burton/Hawks, Inc.
P. O. Box 359
Casper, WY 82602



UTAH
NATURAL RESOURCES
Oil, Gas & Mining

355 West North Temple, 3 Triad Center, Suite 350, Salt Lake City, Ut
84180-1203. ● (801-538-5340)

RECEIVED

FEB 06 1966

PRODUCTIONS
MONTREAL

Page 1 of 1

MONTHLY OIL AND GAS PRODUCTION REPORT

Operator name and address:

• MONCRIEF OIL
P O BOX 2573
CASPER WY
ATTN: P G ANDERSON

82602

RECEIVED
FEB 10 1986

FEB 10 1986

Utah Account No. N0660

Report Period (Month/Year) 1 / 86

Amended Report ☐

DIVISION OF ~~OIL, GAS & MINING~~

Well Name			Producing Zone	Days Oper	Production Volume		
API Number	Entity	Location			Oil (BBL)	Gas (MSCF)	Water (BBL)
GULF TRIBAL 15-1			WSTC				
4301330429	00530	04S 06W 15					
TEXACO TRIBAL 3-1			WSTC				
4301330468	00530	04S 06W 3					
BATES 9-1			WSTC				
4301330469	00530	04S 06W 9					

Comments (attach separate sheet if necessary)

I have reviewed this report and certify the information to be accurate and complete.

Date _____

Authorized signature

Telephone _____

PLEASE COMPLETE FORMS IN BLACK INK

RECEIVED MONCRIEF OIL

FEB 10 1986

February 4, 1986

P.O. BOX 2573
CASPER, WYOMING 82602
307-237-2541

**DIVISION OF
OIL, GAS & MINING**

TO: WHOM IT MAY CONCERN

Please be advised W. A. Moncrief et al has sold its working interest in the following wells effective October 28, 1985 to Mssrs. Hadden and Harrison of Duchesne, Utah:

~~Texaco Tribal 3-1~~
Bates 9-1
Reimann 10-1
Koch Tribal 11-1
Gulf Tribal 15-1

Please direct any further correspondence or invoices in regard to the above wells to the new owners at P. O. Box 293, Duchesne, Utah 84121.

Thank you.



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

March 7, 1986

Mr. Darrel Hadden
Chase Industries
P. O. Box 293
Duchesne, Utah 84021

Dear Mr. Hadden:

We have been advised by Moncrief Oil Company that you and Mr. Thomas Harrison have the working interest in the Bates 9-1 well in Sec. 9, Township 4 South, Range 6 West, in Duchesne County, Utah.

According to the General Rules and Regulations for the Division of Oil, Gas and Mining, the operator of the well is to be bonded with a single well bond or a blanket bond. Our records indicate that neither you nor Mr. Harrison are bonded for fee lands in the State of Utah.

Prior to effecting this change in Division records, you are requested to submit an appropriate bond as required by attached Rule 301.

If you have any questions regarding this action, please feel free to contact me.

Sincerely,

Arlene Sollis
Administrative Analyst

Enclosure
cc: Mr. Thomas Harrison
Dianne R. Nielson
R. J. Firth
John R. Baza

8989T-19

From the desk of
NORM STOUT

6-24-84

HADDEN & HARRISON HAVE AN OFFICE
TOGETHER WHICH DOES BUSINESS
UNDER THE "CHASE INDUSTRIES" NAME.
SINCE THIS WELL IS APPARENTLY
REPORTED OUT OF THE "CHASE" OFFICE,
THE COMPUTER SHOWS CHASE IND.
AS OPERATOR, BUT I'M NOT SURE
THAT IS APPROPRIATE. A BOND HAS
NOT YET BEEN POSTED, BUT THE NAME
ON THE BOND SHOULD BE THE SAME
AS THE OPERATOR OF RECORD.

THIS WELL CONTINUES TO BE
COVERED BY THE MUNGRIEF BOND,
UNTIL PROPER BOND IS POSTED.

RECEIVED

Corporate Surety Bond

Bond # 1114782 MAR 04 1987

STATE OF UTAH
BOND OF LESSEE

030401

KNOW ALL MEN BY THESE PRESENTS, that we
DIVISION OF OIL, GAS & MINING

Hadden-Harrison Joint Venture
of 2207 Three Kings Court, Park City, UT Address

as principal and Amwest Surety Insurance Company, as
surety, are held and firmly bound unto the State of Utah in the sum of Five Thousand & No/100-
Dollars (\$ 5,000.00) lawful money of the United States to be paid to the Board of
State Lands and Forestry, as agent for the State of Utah, for the use and benefit of the
State of Utah, and of any patentee or purchaser of any portion of the land covered by
the hereinafter described lease heretofore sold or which may hereafter be sold with a
reservation to the State of Utah, on the surface or of other mineral deposits of any
portion of such lands, for which payment, will and truly to be made, we bind ourselves,
and each of us, and each of our heirs, executors, administrators, successors, sub-
lessees, and assignees, jointly and severally by these presents.

Signed with our hands and seals this 21st day of November in the
year of our Lord, 1986.

The condition of the foregoing obligation is such that,

WHEREAS, The State of Utah, as Lessor, issued a(n) Oil and/or Gas
lease, Lease Number 14-20-H62-1943 and dated _____, to _____
as lessee (and said lease has been duly
assigned under date of _____ to _____
Oil and/or Gas) to drill for, mine, extract, and remove all of the
deposits in and under the following described lands to wit:

BATES 9-1, S-9, T-4S, R-6W, Duchesne County, Ut.

NOW, THEREFORE, THE principal shall be
royalties, cost of reclamation, damages
other costs which arise by operation
Lessor and shall fully comply with
rules, regulations, and
Forestry, Division of
the Division of Oil,
modified or amended.
part of the purchase a
fully satisfies the abo
payment to the State of
full force and effect un

to pay all monies, rentals,
and improvements thereon and any
bed lease(s) accruing to the
conditions of said lease, the
Board of State Lands and
of Oil, Gas and Mining, and
or may from time to time be
the principal has conveyed
interest. If the principal
surety's obligation to make
ise, it shall remain in
Lands and Forestry.

EXECUTED ON WRONG
FORM AND INCORRECT
AMOUNT. CORRECTIVE
ACTION IS IN PROGRESS.
MCM
3-4-87

Signed, sealed and delivered
in the presence of

Edmund [Signature]
Witness
Susan Myers
Witness

in Joint Venture

[Signature] (SEAL)
Principal
Amwest Surety Insurance Company
[Signature]

Attest:

N/A Non-Resident Agent

APPROVED AS TO FORM:
DAVID L. WILKINSON
ATTORNEY GENERAL

Resident Agent: Donald H. Muller, License # 55094

Bonding Co. Address: 2590 W Main, Littleton Co. 80120

Corporate Seal of Bonding Company Must be Affixed.

REPORT OF SPILL
DIVISION OF OIL, GAS AND MINING
STATE OF UTAH

MICROFICHE

Reporting Company: Hadden & Harrison

Reported by: Tom Harrison Date: 11-04-88 Time: 10:00 am

Location: Qtr SE Qtr NE Section: 9 Township 4S Range 6W

County: Duchesne Lease: Federal State Indian Fee X

Well Name & Number, if applicable: Bates 9-1

Tank Battery: Yes X No Other:

Date of Discharge: 11-04-88 Time of Discharge: Unknown

Estimated amount of spill, in barrels: Oil 125, Produced water

Amount recovered, in barrels: Oil, Produced water

Time to control discharge: hrs after discovery

Discharge contained on lease: Yes No

Other lands affected: BLM Indian State Fee Starvation Reservoir

Other agencies contacted: BLM BIA EPA Health DWR

How discharge occurred: Following work to install steam coils in 1000 bbl tank
pumper failed to check drain valve when equalizing repaired tank with other
tanks and battery. Oil discharge from tank thru drain valve. Berm around tank
battery had been altered during repair work and was not adequate to contain oil.

Method of cleanup: Oil has run down steep slope toward river and reservoir, no
oil has entered river/reservoir as yet.

Action taken to prevent recurrence:

Call received by: R. J. Firth Date: 11-4-88 Time: 10:00 a.m.



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

April 2, 1991

Darrel Hadden
13381 North Dry Fork Canyon
Vernal, Utah 84078

Dear Mr. Hadden:

Re: Non-Compliance

4301330469
POW

45609

In December 1988, and February 1989 field inspections were made at the Bates 9-1 and the Reimann 10-1 wells. The well signs posted at these locations have the name of the previous operators. The pumper was contacted regarding updating the well signs, he said new signs would have to be made.

In February 1990 the above locations were reinspected, the well signs still had the previous operators name. The pumper was again contacted about the well signs. The inspector was told that signs were being made for both of the locations.

A follow-up field inspection was made at both of these locations in September 1990, the new signs were not present, the pumper was contacted again and said that signs were being made. As of this date, the well signs have not been posted.

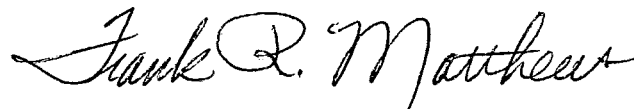
It will not be necessary to have new signs made, a bumper sticker with your company name will be sufficient to remedy the problem.

The Division feels that you have had ample opportunity to post or change well signs as needed. Therefore, we see no reason why these discrepancies cannot be taken care of within the next 90 days.

Page 2
Darrel Hadden
April 2, 1991

Your prompt attention to these matters will be appreciated. If you have any questions, please contact Jim Thompson at (801)538-5340.

Yours truly,

A handwritten signature in cursive script that reads "Frank R. Matthews". The signature is written in dark ink and is positioned above the printed name and title.

Frank R. Matthews
Petroleum Engineer

JLT/lde
cc: R. J. Firth
Well File
WIN2

RECEIVED

APR 04 1991

DIVISION OF
OIL GAS & MINING

HADDEN & HARRISON
13381 N Dryfork Cyn
Vernal, UT 84078

UT Div. of Oil Gas & Mining
355 W No. Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Attn: Mr. Ron Firth

Mr. Ron Firth,

Pursuant to our phone conversation please find the enclosed copy of a Sundry Notice that should be filed along with form 15 that I submitted to your office on 2/19/91, for the 15-1 recompletion.

I also enclosed a form 15 for the Bates 9-1 workover with it's accompanying Sundry Notice.

Please accept my thanks for sending me the copies of the filing rules and instructions along with the necessary forms. Your help and comments are appreciated and will enable me to keep our reporting current.

Sincerely,
Darrel Hadden



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

6. Lease Designation and Serial Number

7. Indian Allottee or Tribe Name

8. Unit or Communitization Agreement

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT— for such proposals

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other (specify)

2. Name of Operator

Hadden & Harrison

3. Address of Operator

13381 N Dryfork Cyn Vernal, UT 84078

4. Telephone Number

(801) 789-8501

9. Well Name and Number

Bates 9-1

10. API Well Number

4301330469

11. Field and Pool, or Wildcat

Altamont

5. Location of Well

Footage

QQ, Sec. T., R., M. : SE NE Sec 9 4S 6W

County : Duchesne

State : UTAH

12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT (Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other | |

Approximate Date Work Will Start

SUBSEQUENT REPORT (Submit Original Form Only)

- | | |
|--|--|
| <input type="checkbox"/> Abandonment * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input checked="" type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other | |

Date of Work Completion 12/18/90

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Set BP@ 6460' & test, perf 6383-87'; 6375-77'; 6371-73', 2spf, set pkr 6312' and test, acidize w/1000 gal 15% HCL w/1000scf N2, Avg. 3bpm 3000# release pkr & plug

Set BP@ 6354' & test, perf 6200-12' 2spf set pkr 6186' & test; acidize w/1000 gal 15% HCL and 1000scf N2, Avg 4 bpm 3400# release pkr & plug

Set BP@ 6190' & test, perf 6166-68; 6157-61, 2spf, set pkr 6134' & test; acidize w/1000 gal 15% HCL Avg 3bpm 2500# release pkr & plug

Set BP@ 6100' & test, perf 6090-94; 6080-84; 6066-68; 6054-56; 6044-46' 2spf, set pkr 6029' acidize w/1500 gal 15% HCL and 40 ball sealers Avg 5.4 bpm 2800# balled off w/flush at top perf. return well to production

RECEIVED

14. I hereby certify that the foregoing is true and correct

Name & Signature

(State Use Only)

APR 04 1991

Title

Date

DIVISION OF
OIL GAS & MINING



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

February 10, 1987

Mr. Thomas Harrison
2207-3 Kings Court
Park City, Utah 84060

Dear Mr. Harrison:

We have been advised that you and Mr. Darrel Hadden have the working interest in the Bates 9-1 well in Section 9 and the Reimann 10-1 well in Section 10, both in Township 4 South, Range 6 West in Duchesne County, Utah.

According to the General Rules and Regulations for the Division of Oil, Gas and Mining, the operator of the well is to be bonded with a single well bond or a blanket bond. Our records indicate that neither you nor Mr. Hadden are bonded for fee lands in the State of Utah.

You are requested to submit an appropriate bond for these wells. The bonding amount is \$20,000 per well, or \$80,000 for a blanket bond.

We would appreciate your immediate attention to this requirement.

Sincerely,

Arlene Sollis
Administrative Analyst

Enclosure *(Bond Form)*
cc: Mr. Darrel Hadden
D. R. Nielson
R. J. Firth
John R. Baza

8989T-81

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS <small>Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT— for such proposals</small>		6. Lease Designation and Serial Number
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)		7. Indian Allottee or Tribe Name
2. Name of Operator Hadden & Harrison Joint Venture		8. Unit or Communitization Agreement 9C197
3. Address of Operator 13381 N Dryfork Cyn, Vernal, UT 84078		9. Well Name and Number Bates 9-1
4. Telephone Number (801) 789-8501		10. API Well Number 4301330469
5. Location of Well Footage : 745' FEL, 2268' FNL QQ, Sec, T., R., M. : SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec 9 T4S R6W		11. Field and Pool, or Wildcat Cedar Rim
12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
NOTICE OF INTENT <small>(Submit in Duplicate)</small> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Abandonment <input type="checkbox"/> Casing Repair <input type="checkbox"/> Change of Plans <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Multiple Completion <input type="checkbox"/> Other _____ </div> <div style="width: 45%;"> <input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Recompletion <input checked="" type="checkbox"/> Shoot or Acidize <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off </div> </div>		SUBSEQUENT REPORT <small>(Submit Original Form Only)</small> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Abandonment * <input type="checkbox"/> Casing Repair <input type="checkbox"/> Change of Plans <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Other _____ </div> <div style="width: 45%;"> <input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Shoot or Acidize <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off </div> </div>
Approximate Date Work Will Start <u>8/14/91</u>		Date of Work Completion _____ <small>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form. * Must be accompanied by a cement verification report.</small>

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Log interval 7630' to 6100' with PDK 100 and CO cased hole logs.
Evaluate for depleted and new zones, perforate and acidize depending on log shows.

RECEIVED

AUG 09 1991

DIVISION OF
OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name & Signature

Neal Spahr

Title Partner

Date 8/7/91

(State Use Only)

APPROVED BY THE STATE
OIL, GAS & MINING

DATE

8-15-91
W Mathews

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT— for such proposals

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)		6. Lease Designation and Serial Number
2. Name of Operator Hadden & Harrison Joint Venture		7. Indian Allottee or Tribe Name
3. Address of Operator 13381 N. Dryfork Cyn. Vernal, UT 84078		8. Unit or Communitization Agreement 9C197
4. Telephone Number (801) 789-8501		9. Well Name and Number Bates 9-1
5. Location of Well Footage : 745' FEL, 2268' FNL QQ, Sec. T., R., M. : SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec 9 T4S R6W		10. API Well Number 4301330469
County : Duchesne State : UTAH		11. Field and Pool, or Wildcat Cedar Rim

12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA																											
<p style="text-align: center;">NOTICE OF INTENT (Submit in Duplicate)</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Abandonment</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Recompletion</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Multiple Completion</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> <p>Approximate Date Work Will Start _____</p>	<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____		<p style="text-align: center;">SUBSEQUENT REPORT (Submit Original Form Only)</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Abandonment *</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input checked="" type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> <p>Date of Work Completion <u>8/22/91</u></p> <p>Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form. * Must be accompanied by a cement verification report.</p>	<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input checked="" type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____	
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<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare																										
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off																										
<input type="checkbox"/> Other _____																											

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

8-14 RU, POOH w/rds, run tbq Calliper log, SDFN; 8-15 POOH w/tbg, PU MILL & scraper, clean out to 7690', POOH, SDFN; 8-16 RU Atlas, run PDK 100 & CO logs; 8-19 RU Cutters, perf 7502-12' 2SPF, RIH w/BP & PKR, set BP @ 7566', set PKR, test BP, release set PKR 7448', pump 30 BBL Pw, press to 3000 PSI, perfs will not break, RU to swab, swab 40 BBL, no inflow, SDFN; 8-20 RU Smith, Acidize w/25 BBL, 15% HCL w/additives, avg. rate 5 BBL/min, 2400 PSI, ISIP 1700, swab, recovered 33 BBL, no inflow, no gas, no oil, release PKR & BP, set BP @ 6648' & test, set PKR @ 6606', swab to SN, no entry, SDFN; 8-21 SI 200 PSI, RU Smith, Acidize perfs 6634-38' w/25 BBL, 15% HCL w/additives, avg. rate 4 BBL/min, 2700 PSI, ISIP 1410, bleed off, swab 60 BBL, entry 200'/hr., 50% oil good gas, release PKR & BP, POOH, RIH tbq, anchor, SDFN; 8-22 RIH pump & rds, put well on pump, RD.

RECEIVED

OCT 08 1991

14. I hereby certify that the foregoing is true and correct

DIVISION OF
OIL GAS & MINING

Name & Signature _____

Title Partner

Date 9/4/91

✓ (State Use Only)

McKAY, BURTON & THURMAN

A PROFESSIONAL CORPORATION

ATTORNEYS AND COUNSELORS AT LAW
SUITE 1200 KENNECOTT BUILDING
10 EAST SOUTH TEMPLE STREET
SALT LAKE CITY, UTAH 84133
(801) 521-4135

OF COUNSEL

DAVID L. MCKAY
WILLIAM T. THURMAN

TELEFAX 801-521-4252

WILFORD M. BURTON
BARRIE G. MCKAY
WILLIAM THOMAS THURMAN
DAVID L. BIRD
R. KIMBALL MOSIER
REID TATEOKA
STEPHEN W. RUPP
JOEL T. MARKER
SCOTT C. PIERCE
MONA LYMAN
HARRY CASTON
SHAWN G. TURNER

February 20, 1992

TO THE CREDITORS OF HADDEN & HARRISON,
JOINT VENTURE


*Re: Notice of Dissolution of Joint Venture and Sale of Assets
and Assumption of Liabilities by YM Oil Corporation*

NOTICE IS HEREBY GIVEN of the dissolution of Hadden & Harrison, a joint venture, effective January 31, 1992. As of that date Hadden & Harrison ceased carrying on active operations and began a process of winding up its affairs pursuant to the provisions of 48-1-1 U.C.A. As of January 31, 1992 neither Darrel Hadden nor Thomas D. Harrison have any further authority to act on behalf of the Hadden & Harrison joint venture to carry on any further business or to incur any additional claims, debts or other obligations for the joint venture, except as is necessary to wind up the affairs of the joint venture.

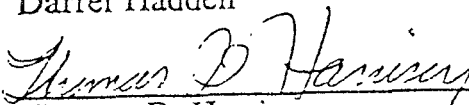
NOTICE IS ALSO GIVEN of the transfer and sale of the assets of the Hadden & Harrison joint venture to YM Oil Corporation, a Colorado corporation, and the assumption of all obligations of Hadden & Harrison joint venture by YM Oil effective January 31, 1992. Under the terms of the sale agreement YM Oil has agreed to assume and satisfy all obligations of the Hadden & Harrison joint venture. You may contact YM Oil at the following address:

Paul L. McCulliss
President
YM Oil Corporation
P.O. Box 13557
Denver, CO 80201
Telephone: (303) 292-5458

COPY



Darrel Hadden



Thomas D. Harrison

Very truly yours,

McKAY, BURTON & THURMAN


Joel T. Marker

Attorneys for Hadden & Harrison, a Utah
joint venture

McKAY, BURTON & THURMAN

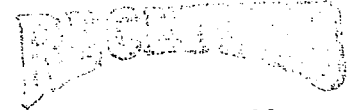
A PROFESSIONAL CORPORATION

WILFORD M. BURTON
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SUITE 1200 KENNECOTT BUILDING
10 EAST SOUTH TEMPLE STREET
SALT LAKE CITY, UTAH 84133
(801) 521-4135

OF COUNSEL
DAVID L. MCKAY
WILLIAM T. THURMAN
TELEFAX 801-521-4252

March 11, 1992



MAR 12 1992

DIVISION OF
OIL & GAS

R. J. Firth
Associate Director, Division of Oil,
Gas & Mining
#3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

*Re: Hadden & Harrison, joint venture
Documents regarding sale of operating assets to YM Oil Corporation*

Dear Mr. Firth:

In response to my letter of March 6, 1992 to Dianne R. Nielson, Lisha Romero of your office called to request copies of documents evidencing the sale of Hadden & Harrison's operating assets to YM Oil Corporation. Therefore, I have enclosed with this letter copies of the following documents:

1. Assets Sale Agreement between Hadden & Harrison and YM Oil Corporation, dated December 4, 1991. Please note that the Assets Sale Agreement contains signatures of Darrel Hadden and Thomas D. Harrison of Hadden & Harrison, as well as that of Paul L. McCulliss, president of YM Oil Corporation. Please also note on page 14 the address for YM Oil Corporation is as follows:

Paul L. McCulliss
YM Oil Corporation
P.O. Box 13557
Denver, CO 80201

I have also included a copy of Exhibit "C" to the Assets Sale Agreement which indicates that the certificates of deposit held by First Interstate Bank of Park City in favor of the Division of Oil & Gas are assets that were excluded from the sale to YM Oil Corporation and those certificates of deposit, upon release by the State, shall remain property of Hadden & Harrison.

R. J. Firth
March 11, 1992
Page 2

2. Also enclosed is a copy of the Assignment, Bill of Sale and Conveyance, between Thomas D. Harrison, Darrel Hadden and Hadden & Harrison and YM Oil Corporation, dated January 31, 1992.

If you have any further questions regarding these documents or the matters addressed in my letter of March 6, 1992, please give me a call.

Very truly yours,

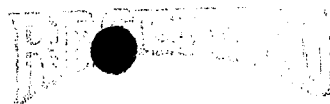
A handwritten signature in black ink, appearing to read 'J. Marker', written in a cursive style.

Joel T. Marker

JTM:als
08015

Enclosures

cc (w/o encl.): Darrel Hadden
Jeffrey C. Swinton
Paul L. McCulliss



APR 13 1992

DESIGNATION OF AGENT OR OPERATOR - FORM 5

DIVISION OF

OIL, GAS & MINING

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: Bates

LEASE NUMBER: 9-1

and hereby designates

NAME: Paul L. McCulliss

ADDRESS: 621 17th Street, Suite 2155, Denver, Colorado 80293

as his agent/operator, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to (describe acreage to which this designation is applicable):

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees promptly to notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation 02/01/92

By: 

(signature)

Company McCulliss Resources Co., Inc.

Title: President

Address 621 17th Street, Suite 2155
Denver, CO 80293

Phone: (303) 292-5458



REGISTERED

APR 13 1992

April 9, 1992

DIVISION OF
OIL, GAS & MINING

Ms. Lisha Romero
Park City Office
State of Utah
Division of Oil, Gas & Mining
355 W. North Temple #350
Salt Lake City, Utah 84180

RE: Change of Operator

Dear Ms. Romero,

Enclosed for your review are Change of Operator forms for the Hadden & Harrision Bates 9-1 and Reimann 10-1 Wells. Also enclosed is the required \$20,000 Statewide Blanket Bond.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Paul L. McCulliss', is written over the typed name.

Paul L. McCulliss
President

PLM/tjb

encls.

cc: Joel Marker
Tom Harrison

PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

☐ Well File _____☐ Suspense☒ Other

(Return Date) _____

OPERATOR CHANGE

(Location) Sec _____ Twp _____ Rng _____

(To - Initials) _____

(API No.) _____

1. Date of Phone Call: 4-16-92 Time: 8:37

2. DOGM Employee (name) L. ROMERO (Initiated Call ☒)
Talked to:Name PAUL MCCULLISS (Initiated Call ☐) - Phone No. (303) 292-5458

of (Company/Organization) MCCULLISS RESOURCES COMPANY

3. Topic of Conversation: OPERATOR CHANGE FROM HADDEN & HARRISON TO YM OIL CORP. OR
TO MCCULLISS RESOURCES CO.? ALSO, BOND #B03489 (\$20,000) RECEIVED ON 4-13-92
SHORT \$20,000, FOR THE BATES 9-1 & REIMANN 10-1 WELLS.4. Highlights of Conversation: MR. MCCULLISS STATED THAT THEY WANT TO OPERATE THE WELLS IN UTAH UNDER THE NAME
OF MCCULLISS RESOURCES COMPANY, HE IS PRESIDENT OF BOTH. AS FAR AS THE BOND
AMOUNT, HE REFERRED ME TO BRUCE HERBRICK AT (303)571-4235. MR. HERBRICK HANDLES
SOME OF HIS AFFAIRS, AND SHOULD HAVE SET UP EITHER A \$40,000 SURETY OR A BLANKET
BOND IN THE AMOUNT OF \$80,000.

8:48/DEPT. OF COMMERCE - NEITHER COMPANY IS REGISTERED AS OF YET.

8:55/BRUCE HERBRICK - MSG LEFT WITH RECEPTIONIST.

9:00/DARREL HADDEN - RETURNED HIS CALL, APPRISED HIM OF SITUATION. WILL NOTIFY
HIM AS SOON AS ADDITIONAL BONDING IS RECEIVED.

920417/11:45 - BRUCE HERBRICK ASKED ME TO MAIL A LETTER TO PAUL MCCULLISS.

REQUESTING ADDITIONAL BONDING, ALONG WITH RULES & REGS.

RECEIVED
STATE TAX COMMISSION

APR 15 1992

RECEIVED BY
Auditing Division

HADDEN & HARRISON JOINT VENTURE
13381 N. Dryfork Cyn
Vernal, Utah 84078
(801) 789-8501

April 11, 1992

Utah State Tax Commission
160 E 300 S
Salt Lake City, Utah 84134-0550

Dear Sirs:


Effective January 31, 1992 Hadden & Harrison ceased its operations on all producing entities listed on the enclosed return. Also enclosed is a copy of a letter giving notice of dissolution and sale of assets.

Hadden & Harrison is hereby requesting that you close our conservation and severance tax accounts # N7228 on the above effective date. Our quarterly severance tax return will be filed as soon as we receive them from the state.

The enclosed quarterly conservation tax return only includes January production and tax payment.

If we need to file additional forms or you need more information please contact me at the above address.

Sincerely,


Darrel Hadden

COPY

RECEIVED

APR 17 1992

DIVISION OF
OIL GAS & MINING



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

July 6, 1992

Paul McCulliss
McCulliss Resources Company, Inc.
621 17th Street, Suite 2155
Denver, Colorado 80293

Dear Mr. McCulliss:

Re: Operator Change, Hadden & Harrison to McCulliss
Resources Company, Inc., for wells located in
Carbon, Duchesne and Uintah County, Utah.

In reviewing the operator change for the referenced companies, it was determined that your company is not currently registered with the Utah Department of Commerce. This letter is written to advise you of your responsibility to register your company with the state prior to conducting business within Utah. This can be accomplished by contacting:

Department of Commerce
Division of Corporations
160 East 300 South
Salt Lake City, Utah 84111
(801) 530-4849

Sincerely,

A handwritten signature in cursive script that reads "Lisha Romero".

Lisha Romero
Administrative Analyst

cc: Dept. of Commerce
D.T. Staley
R.J. Firth
Operator File(s)
Correspondence File/ldc

PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

☐ Well File _____☐ Suspense☒ Other

(Return Date) _____

Open Change

(Location) Sec _____ Twp _____ Rng _____

(To - Initials) _____

(API No.) _____

1. Date of Phone Call: 8-28-92 Time: (2:30)2. DOGM Employee (name) J. Romero (Initiated Call ☒)
Talked to:Name Sally (Initiated Call ☐) - Phone No. (801) 789-1362of (Company/Organization) Btm/Vernal3. Topic of Conversation: Open change "Hadden E. Harrison to McCulliss Res."

4. Highlights of Conversation: _____

Change has not been approved.* 920828 Btm/SJ CR-164 / Landsdale H-11 43-047-31024 (chg. not approved)* 920930 Btm/S.J. E. Vernal Not approved.* 921030""* 921127""* 921215""* 930107 F.S. Prince #1 Approved. Landsdale H-11 not approved, see separate change.* 930128 Indian lease wells, hold for BIA/Btm Approval per Admin.



Norman H. Bangertter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

January 29, 1993

Mr. Darrel Hadden
Hadden & Harrison
13381 N. Dryfolk Canyon
Vernal, Utah 84078

Dear Mr. Hadden:

Re: Notification of Sale or Transfer of Lease Interest - Bates 9-1 Well, Sec. 9, T. 4S, R. 6W, Duchesne County, API No. 43-013-30469 and Reiman 10-1 Well, Sec. 10, T. 4S, R. 6W, Duchesne County, API No. 43-013-30460

The division has received notification of a change of operator from Hadden & Harrison to McCulliss Resources Co., Inc. for the referenced wells which are located on fee leases.

Rule R649-2-10, of the Utah Oil and Gas Conservation General Rules, requires that the owner of a lease provide notification to any person with an interest in such lease (working interest or royalty interest), when all or part of that interest in the lease is sold or transferred.

This letter is written to advise Hadden & Harrison of its responsibility to notify all individuals with an interest in these leases of the change of operator. Please provide written documentation of this notification to the division no later than February 22, 1993.

Sincerely,

Don Staley
Administrative Supervisor
Oil and Gas

ldc
cc: R.J. Firth
WOI201

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing:

1	VLC	7-12
2	DTS	7-15
3	VLC	✓
4	RJF	✓
5	RWM	✓
6	ADA	✓

Attach all documentation received by the division regarding this change.
Initial each listed item when completed. Write N/A if item is not applicable.

☒ Change of Operator (well sold) ☐ Designation of Agent
☐ Designation of Operator ☐ Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 1-31-92)

TO (new operator) <u>MCCULLISS RESOURCES CO INC</u>	FROM (former operator) <u>HADDEN & HARRISON</u>
(address) <u>621 17TH ST STE 2155</u>	(address) <u>13381 N DRY FORK CANYON</u>
<u>DENVER CO 80293</u>	<u>VERNAL UT 84078</u>
<u>PAUL MCCULLISS</u>	<u>DARREL HADDEN</u>
phone (<u>303</u>) <u>292-5458</u>	phone (<u>801</u>) <u>789-8501</u>
account no. <u>N 6940</u>	account no. <u>N 7228</u>

Well(s) (attach additional page if needed):

***PAUL MCCULLISS ALSO PRES OF YM OIL CORP/DENVER**

Name: <u>BATES 9-1/GR-WS</u>	API: <u>43-013-30469</u>	Entity: <u>530</u>	Sec <u>9</u> Twp <u>4S</u> Rng <u>6W</u>	Lease Type: <u>FEE</u>
Name: <u>REIMANN 10-1/GR-WS</u>	API: <u>43-013-30460</u>	Entity: <u>6410</u>	Sec <u>10</u> Twp <u>4S</u> Rng <u>6W</u>	Lease Type: <u>FEE</u>
Name: <u>FS PRINCE GOVT 1/GRRV</u>	API: <u>43-047-16199</u>	Entity: <u>7035</u>	Sec <u>10</u> Twp <u>7S</u> Rng <u>24E</u>	Lease Type: <u>SL070932A</u>
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____

OPERATOR CHANGE DOCUMENTATION

- 1 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). (Rec'd 3-9-92/3-12-92)
- 2 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). (Rec'd 3-12-92)
- 3 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) ____ If yes, show company file number: 165626. (EF. 10-28-92) * Letter mailed 7-6-92.
- 4 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
- 5 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. (FEE 7-31-92) (1-28-93)
- 6 6. Cardex file has been updated for each well listed above. (FEE 7-31-92) (1-28-93)
- 7 7. Well file labels have been updated for each well listed above. (FEE 7-31-92) (1-28-93)
- 8 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. (FEE 7-31-92) (1-28-93)
- 9 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only)

1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond. (Reg. 3-10-92) (Lic'd 40,000 Surety Bond "Underwriters Indemnity Co. on 8-10-92")
2. A copy of this form has been placed in the new and former operators' bond files.
3. The former operator has requested a release of liability from their bond (yes/no) yes. Today's date March 10, 1992. If yes, division response was made by letter dated August 11, 1992.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated 1-29-93 1993, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
2. Copies of documents have been sent to State Lands for changes involving State leases.

FILED

1. All attachments to this form have been microfilmed. Date: Feb 3 1993.

FILED

1. Copies of all attachments to this form have been filed in each well file.
2. The original of this form and the original attachments have been filed in the Operator Change file.

REMARKS

- 920731 Fee lease wells changed to McCalliss Resources. (Bond rec'd 8-10-92 / \$40,000)
- 930121 Btm/Vernal Approved FS Prince #1 on 1-7-93.
- * Landsdale 1-11 C.A. CR-164 not approved, will be handled on separate change.
- * Indian lease wells (3) not approved, will be handled on separate change.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT" - for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other Pipeline

2. Name of Operator

Coastal Oil & Gas Corporation

3. Address and Telephone No.

P. O. Box 749, Denver, CO 80201-0749

(303) 573-4455

4. Location of Well (Footage, Sec., T., R., M., Or Survey Description)

Various -- see attached map.

5. Lease Designation and Serial No.

6. If Indian, Alottee or Tribe Name

Ute

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

9. API Well No.

43-013-30469

10. Field and Pool, Or Exploratory Area

Cedar Rim

11. County or Parish, State

Duchesne County, UT

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

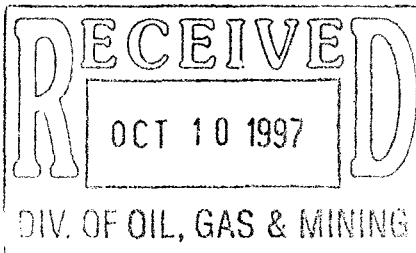
- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Gas Line
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markets and zones pertinent to this work.)

Operator proposes to install a three inch plastic gas line from the Ute #1-15D6 to tie into an existing meter station located in Section 34-T3S-R6W. The line will also service the Ute #1-11D6, Reimann #10-1, Bates #9-1 and Texaco Tribal #3-1. The line will parallel an existing road or pipeline. See attached map.

Well Name	Location of Well	Lease Designation	API No.
Ute #1-15D6	768' FNL & 898' FEL NENE Section 15-T4S-R6W	14-20-H62-4741	43-013-30429
Ute #1-11D6	1898' FSL & 992' FWL NWSW Section 11-T4S-R6W	14-20-H62-4801	43-013-30482
Reimann #10-1	1749' FSL & 1928' FWL NESW Section 10-T4S-R6W	14-20-H62-4741	43-013-30460
Bates #9-1	2268' FNL & 745' FEL SENE Section 9-T4S-R6W	14-20-H62-4741	43-013-30469
Texaco Tribal #3-1	512' FNL & 1530' FEL NWNE Section 3-T4S-R6W	14-20-H62-4741	43-013-30468

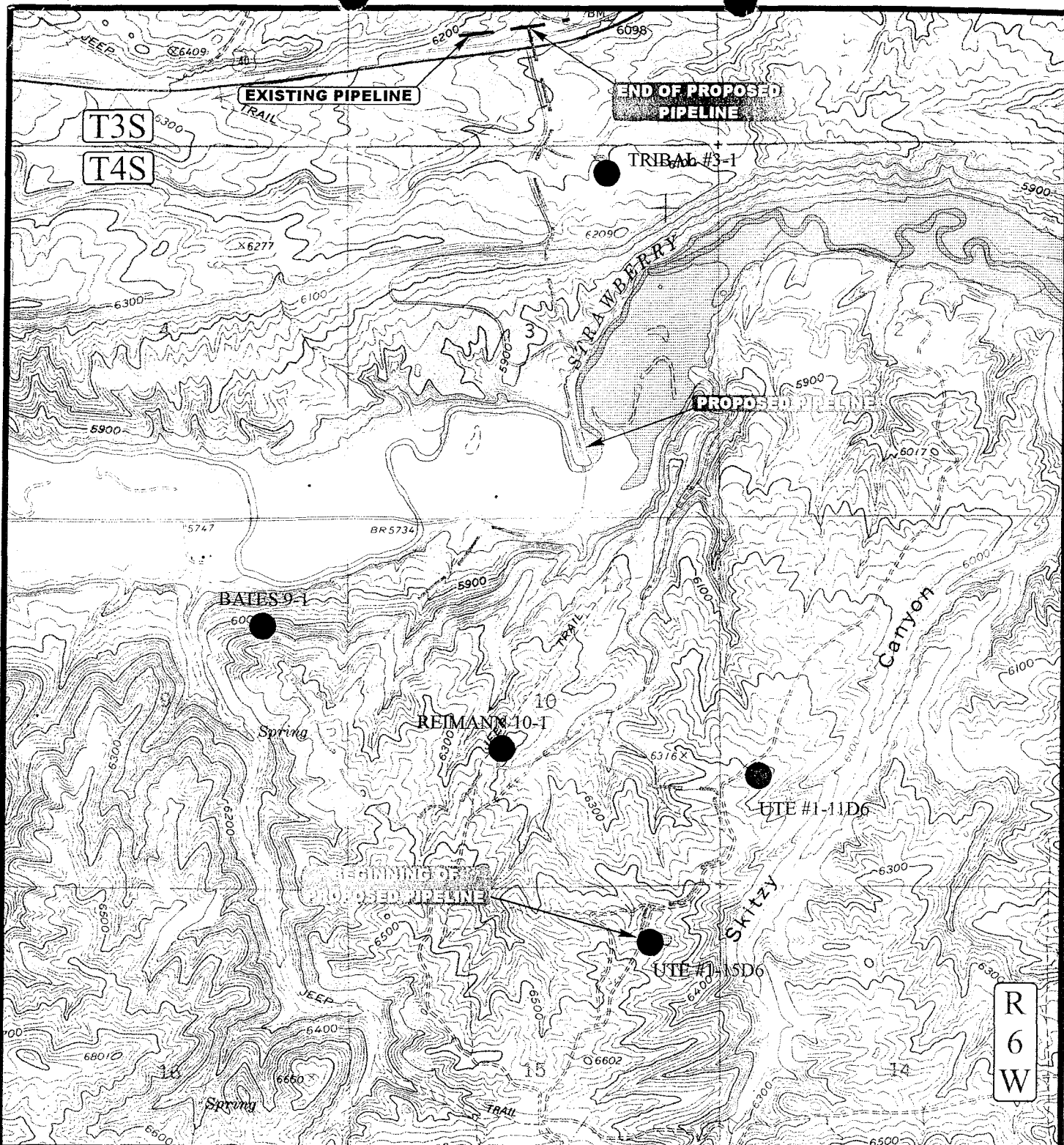


14. I hereby certify that the foregoing is true and correct

Signed Sheila Bremer Title Environmental & Safety Analyst Date 10/09/97
Sheila Bremer

(This space for Federal or State office use)

APPROVED BY _____ Title _____ Date _____
Conditions of approval, if any:



APPROXIMATE TOTAL PIPELINE DISTANCE = 24,940' +/-

LEGEND:

- EXISTING PIPELINE
- PROPOSED PIPELINE
- ... PROPOSED ACCESS



CIG EXPLORATION INC.

PIPELINE TOPO

SECTIONS 3,9,10,11,&15 T4S, R6W, U.S.B.&M.
SECTION 34, T3S R6W, U.S.B.&M.



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(801) 789-1017 * FAX (801) 789-1813
Email: uels@easilink.com

TOPOGRAPHIC MAP
9 30 97
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 10-7-97

1
TOPO



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

February 20, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 4965

Paul McCullis
McCullis Resources
P.O. Box 3248
Littleton, Colorado 80161-3284

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases.

Dear Mr. McCullis:

McCullis Resources, as of February 2004, has one (1) State Lease Well and two (2) Fee Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in or temporary abandonment status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Page 2
February 20, 2004
Paul McCullis

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

jc
cc: John Baza
Well File
SITLA

	Well Name	API	Lease Type	Years Inactive
1	State 2-1-E	43-047-31553	State	10 Years 9 Months
1	Bates 9-1	43-013-30469	Fee	6 Years 2 Months
2	Reimann 10-1	43-013-30460	Fee	6 Years 2 Months

Attachment A

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: <i>fee</i>
2. NAME OF OPERATOR Mountain Oil and Gas Inc. <i>N2485</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Indian Tribe
3. ADDRESS OF OPERATOR: CITY / STATE / ZIP Box 1574; Roosevelt, UT 84066		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2268 FNL 745 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE, Section 9, Township 4S, Range 6W, USM		8. WELL NAME and NUMBER: Bates 9-1 9. API NUMBER: 43-013-30469 10. FIELD AND POOL, OR WILDCAT: 65 Bluebell
		COUNTY: Duchesne Co. STATE: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 6-17-04	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input checked="" type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER:
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Self-Certification Statement: Please be advised that Mountain Oil and Gas, Inc.; PO Box 1574; Roosevelt, Utah 84066 in considered to be the new operator of the Bates 9-1 Well, and is responsible under the terms and conditions of the lease of the operations conducted upon the associated leased lands. This was effective June 17, 2004. Please send all communications regarding this lease to Mountain Oil and Gas, Inc.; PO Box 1574; Roosevelt, Utah 84066.

COPY

*Denied 10/21/04
EC, DO&M*

NAME (PLEASE PRINT)	<u>Robert L. Ballou</u>	TITLE	<u>Agent, Geologist</u>
SIGNATURE	<u><i>R. L. Ballou</i></u>	DATE	<u>June 17, 2004</u>

(This space for State use only)

RECEIVED

JUN 22 2004

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: <i>fee</i>
2. NAME OF OPERATOR Mountain Oil and Gas Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 1574 Roosevelt, Utah 84066		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (435) 722-2992		8. WELL NAME and NUMBER: Bates 9-1
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2268 FNL 745 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE, Section 9, Township 4S, Range 6W, USM		9. API NUMBER: 43-01330469
		10. FIELD AND POOL, OR WILDCAT:

COUNTY:

STATE:

Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION		TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: June 17 2004	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input checked="" type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER:
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:			

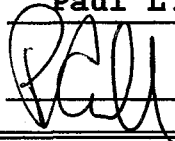
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please note effective June 17th 2004 McCulliss Resources relinquishes operatorship of the Bates 9-1 well. Please release McCullis Resources's Letter of Credit # _____ McCullis Resources relinquishes operatorship to Mountain Oil and Gas Inc. PO Box 1574 Roosevelt, Utah 84066.

COPY

N 6940

*Denied 10/21/04
EP, DOGM*

NAME (PLEASE PRINT) Paul L. McCulliss	TITLE President
SIGNATURE 	DATE June 17, 2004

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JUN 25 2004

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

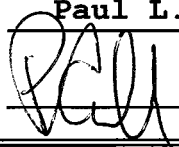
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: <i>fee</i>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Bates 9-1	
2. NAME OF OPERATOR Mountain Oil and Gas Inc.	9. API NUMBER: 43-01330469	
3. ADDRESS OF OPERATOR: PO Box 1574 Roosevelt, Utah 84066	PHONE NUMBER: (435) 722-2992	
10. FIELD AND POOL, OR WILDCAT:		

4. LOCATION OF WELL FOOTAGES AT SURFACE: 2268 FNL 745 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE, Section 9, Township 4S, Range 6W, USM	COUNTY: STATE: Utah
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<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please note effective June 17th 2004 McCulliss Resources relinquishes operatorship of the Bates 9-1 well. Please release McCullis Resources's Letter of Credit # _____ McCullis Resources relinquishes operatorship to Mountain Oil and Gas Inc. PO Box 1574 Roosevelt, Utah 84066.

NAME (PLEASE PRINT) Paul L. McCulliss	TITLE President
SIGNATURE 	DATE June 17, 2004

(This space for State use only)

APPROVED 12/21/04
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician (See Instructions on Reverse Side)

RECEIVED
JUN 25 2004
DIV. OF OIL, GAS & MINING
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NOV 02 2004
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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3. ADDRESS OF OPERATOR: CITY / STATE / ZIP Box 1574; Roosevelt, UT 84066	PHONE NUMBER: (435) 722-2992	7. UNIT or CA AGREEMENT NAME:																																	
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Self-Certification Statement: Please be advised that Mountain Oil and Gas, Inc.; PO Box 1574; Roosevelt, Utah 84066 in considered to be the new operator of the Bates 9-1 Well, and is responsible under the terms and conditions of the lease of the operations conducted upon the associated leased lands. This was effective June 17, 2004. Please send all communications regarding this lease to Mountain Oil and Gas, Inc.; PO Box 1574; Roosevelt, Utah 84066.

NAME (PLEASE PRINT)

Robert L. Ballou

TITLE

Agent, Geologist

SIGNATURE

DATE

June 17, 2004

(This space for State use only)

APPROVED 12/21/04

(5/2000)

Earlene Russell
Division of Oil, Gas and Mining (See Instructions on Reverse Side)
Earlene Russell, Engineering Technician

RECEIVED
NOV 02 2004

DIV. OF OIL, GAS & MINING

JUN 22 2004

DIV. OF OIL, GAS & MINING

3. FILE

Designation of Agent/Operator

Merger

6/17/2004

TO: (New Operator):
N2485-Mountain Oil and Gas, Inc.
PO Box 1574
Roosevelt, UT 84066
Phone: 1-(435) 722-2992

Unit:

WELL(S)

[illegible]

Enter date after each listed item is completed

- | | | |
|----|---|---|
| 1. | (R649-8-10) Sundry or legal documentation was received from the FORMER operator on: | <u>11/2/2004</u> |
| 2. | (R649-8-10) Sundry or legal documentation was received from the NEW operator on: | <u>11/2/2004</u> |
| 3. | The new company was checked on the Department of Commerce, Division of Corporations Database on: | <u>10/28/2004</u> |
| 4. | Is the new operator registered in the State of Utah: | <u>YES</u> Business Number: <u>5275257-0142</u> |
| 5. | If NO , the operator was contacted contacted on: | |

6b. Inspections of LA PA state/fee well sites complete on:	n/a
--	-----

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM n/a BIA n/a

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 12/21/2004
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 12/21/2004
3. Bond information entered in RBDMS on: 12/21/2004
4. Fee/State wells attached to bond in RBDMS on: 12/21/2004
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: n/a

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: n/a

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number F16420
2. The **FORMER** operator has requested a release of liability from their bond on: 12/20/2004
The Division sent response by letter on: n/a

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

December 2, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 5917

Mr. Paul L. McCulliss
McCulliss Resources Company
P.O. Box 3248
Littleton, Colorado 80161-3248

Re: Second Notice for Extended Shut-in and Temporary Abandoned Well
Requirements for Wells on Fee or State Leases.

Dear Mr. McCulliss:

As of November 2004, McCulliss Resources Company ("McCulliss") has one (1) State Lease Well and two (2) Fee Lease Wells (see attachment A) that are currently in non-compliance of R649-3-36. The requirements for extended shut-in or temporary abandonment (SI/TA) status have not been met for these wells.

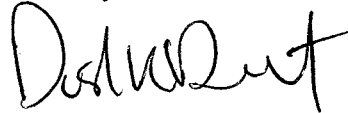
The Utah Division of Oil, Gas & Mining (the "Division") mailed a certified letter dated February 20, 2004 (received by Paul McCulliss on 2/24/2004) explaining why these wells are in non-compliance and the necessary action McCulliss must take before these wells will be considered for extended SI/TA status. The Division received a hand written note dated April 13, 2004 from Mr. Paul McCulliss indicating your intention to assign these wells to Mountain Oil and Gas, Inc. In addition, the Division initiated telephone contact and left messages for Mr. Paul McCulliss on April 7, June 4, and August 19, 2004 regarding the above matter. Mr. Bob Ballou of Mountain Oil and Gas, Inc. contacted the Division on August 25, 2004 indicating their intention to acquire the wells but needed additional time to properly bond the wells.

A change of operator does not alleviate the current operators or any future operators responsibility to meet the requirements of this rule. The Division did, however, allow extra time for the potential future operator to take over and submit the required information. Regardless of any potential changes in ownership, McCulliss, as operator of record, must submit the information requested by the Division and demonstrate the wells have integrity and are not a risk to public health and safety or the environment (R649-3-36-1.1-1.3).

Page 2
Mr. Paul L. McCulliss
December 2, 2004

If the Division does not receive the required information by written response within 30 days of the date of this notice, further action will be initiated by issuing a Notice of Violation (NOV) for each well in non-compliance. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dustin K. Doucet', written in a cursive style.

Dustin K. Doucet
Petroleum Engineer

DKD:jc
cc: John Baza
Well File
SITLA
Mountain Oil and Gas, Inc.

	Well Name	API	Lease Type	Years Inactive
1	State 2-1-E	43-047-31553	State	11 Years 8 Months
1	Bates 9-1	43-013-30469	Fee	7 Years 0 Months
2	Reimann 10-1	43-013-30460	Fee	7 Years 0 Months

Attachment A

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL X GAS WELL OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: e, Surface, Trbl ls expire Fee
2. NAME OF OPERATOR Mountain Oil and Gas, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Expired
3. ADDRESS OF OPERATOR: PO Box 1574; Roosevelt, Utah 84066		7. UNIT or CA AGREEMENT NAME: 9C197
4. LOCATION OF WELL FOOTAGES AT SURFACE: QTR/4QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 04S 06W 09		8. WELL NAME and NUMBER: Bates 9-1
PHONE NUMBER: (435) 722-2992		9. API NUMBER: 43-013-30469-00-00
		10. FIELD AND POOL, OR WILDCAT: Cedar Rim
		COUNTY: Duchesne
		STATE: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Mountain Oil and Gas, Inc. intends to pull sucker rods out of tubing and replace low pressure Radagen with BA adapter to better secure the pressure while re-leasing the leases in this section.

NAME (PLEASE PRINT)	Kari Taylor-Schreck	TITLE	Production Assist
SIGNATURE	<i>Kari Taylor-Schreck</i>	DATE	12/20/05

(This space for State use only)

(5/2000)

(See Instructions on Reverse Side)

THIS SUNDRY IS BEING RETURNED; INSUFFICIENT DATA WAS SUBMITTED TO APPROVE THE REQUESTED ACTION.

RECEIVED
DEC 21 2005
January 27, 2006
Utah Division of Oil, Gas and Mining
DIVISION OF OIL, GAS & MINING

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ
2. CDW

43,013,30469

Change of Operator (Well Sold)

X - Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

1/1/2006

FROM: (Old Operator):

N2485-Mountain Oil & Gas, Inc.

PO Box 1776

Ballard, UT 84066

Phone: 1 (435) 722-2992

TO: (New Operator):

N3130-Homeland Gas & Oil, Inc.

PO Box 1776

Ballard, UT 84066

Phone: 1 (435) 722-2992

CA No.

Unit:

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 10/30/2006
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 10/30/2006
3. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 6/19/2006
- 4a. Is the new operator registered in the State of Utah: yes Business Number: 6174726-0143
- 5a. (R649-9-2) Waste Management Plan has been received on: Requested 10/31/06
- 5b. Inspections of LA PA state/fee well sites complete on: n/a
- 5c. Reports current for Production/Disposition & Sundries on:
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA not yet
7. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
8. **Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 10/31/2006
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/31/2006
3. Bond information entered in RBDMS on: 10/31/2006
4. Fee/State wells attached to bond in RBDMS on: 10/31/2006
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: 310279523
 2. Indian well(s) covered by Bond Number: SB-509795
 - 3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number F16420
 - 3b. The **FORMER** operator has requested a release of liability from their bond on: n/a
- The Division sent response by letter on:

LEASE INTEREST OWNER NOTIFICATION:

4. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 10/31/2006

COMMENTS: Homeland Gas and Oil, Inc was added as a principal on the Mountain Oil & Gas Inc Bond - no release possible. All wells moved to Homeland, except three "Stripper Wells".

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER

see attached list

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

see attached list

7. UNIT or CA AGREEMENT NAME:

see attached list

8. WELL NAME and NUMBER

see attached list

9. API NUMBER:

attached

10. FIELD AND POOL, OR WILDCAT:

1. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

2. NAME OF OPERATOR

Homeland Gas & Oil

3. ADDRESS OF OPERATOR:

3980 East Main, HWY 40

Ballard

UT

84066

PHONE NUMBER:

(435) 722-2992

4. LOCATION OF WELL

FOOTAGES AT SURFACE see attached list

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☐ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

TYPE OF ACTION

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☒ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☐ OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective January 1, 2006, operation of attached well list was taken over by:

Homeland Gas & Oil
3980 E Main ST HWY 40
Ballard, UT 84066

N3130

Previous operator was:

Mountain Oil & Gas
PO Box 1574
Roosevelt, UT 84066

N2485

BIA Bond: SB-509795 (to be transferred from Mountain Oil & Gas)
BLM Bond: 0310279523 (to be transferred from Mountain Oil & Gas)
SITLA Bond: Dated 09/14/04 (to be transferred from Mountain Oil & Gas)

John Carson, attorney in fact,
Mountain Oil & Gas, Inc.

NAME (PLEASE PRINT) Paul McCulliss

TITLE Director

SIGNATURE

DATE

10/26/06

(This space for State use only)

APPROVED 10/31/06

Earlene Russell

RECEIVED

OCT 30 2006

(5/2000)

Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

well_name	sec	tpw	rng	api	entity	qtr_qtr	well	stat	lease	l_num
UTE TRIBAL 1-34B	34	010N	020W	4301310494	775	SWNE	OW	P	Indian	14-20-H62-1704
WESLEY BASTIAN FEE 1	08	010S	010W	4301310496	942	SWNE	OW	S	Fee	FEE
UTE TRIBE 1-13	13	050S	040W	4301320073	1225	SWSW	OW	P	Indian	14-20-H62-4894
UTE TRIBAL 2	08	010S	010W	4301330020	690	NWSW	OW	S	Indian	14-20-H62-2117
UTE TRIBAL 2-35B	35	010N	020W	4301330106	705	NWSE	OW	P	Indian	14-20-H62-1614
DUSTIN 1	22	020S	030W	4301330122	1092	NESW	OW	S	Fee	FEE
HANSEN 1	23	020S	030W	4301330161	1093	SENE	OW	P	Fee	FEE
UTE TRIBAL 1-26B	26	010N	020W	4301330168	715	SWNE	OW	P	Indian	INDIAN
MYRIN RANCH 1	20	020S	030W	4301330176	1091	SWNE	OW	S	Fee	FEE
KNIGHT 1	28	020S	030W	4301330184	1090	SENE	OW	S	Fee	FEE
UTE 1-12B6	12	020S	060W	4301330268	1866	SENE	OW	S	Indian	14-20-H62-4951
JOSIE 1-3B5	03	020S	050W	4301330273	215	SENE	OW	S	Fee	FEE
V MILES 1	20	010S	040W	4301330275	740	NWNE	OW	S	Fee	FEE
A RUST 2	22	010S	040W	4301330290	745	NENE	OW	S	Fee	FEE
SINK DRAW 7	21	030S	070W	4301330302	6360	SENE	OW	S	Indian	14-20-H62-1141
UTE TRIBAL 1-32Z1	32	010N	010W	4301330324	755	NESW	OW	S	Indian	14-20-H62-2457
REIMANN 10-1	10	040S	060W	4301330460	6410	NESW	OW	S	Fee	FEE
TEXACO TRIBAL 3-1	03	040S	060W	4301330468	10959	NWNE	OW	S	Indian	14-20-H62-1939
BATES 9-1	09	040S	060W	4301330469	530	SENE	OW	S	Fee	FEE
UTE 1-14D6	14	040S	060W	4301330480	5275	SWNE	OW	P	Indian	14-20-H62-4893
1-31C5	31	030S	050W	4301330501	2330	SENE	OW	P	Indian	14-20-H62-4890
JOSIE 1A-3B5	03	020S	050W	4301330677	216	NESW	OW	S	Fee	FEE
LAWSON 1-21A1	21	010S	010W	4301330738	935	NESW	OW	S	Fee	FEE
UTE TRIBAL 11-25	25	040S	030W	4301330743	2645	NESW	OW	S	Indian	14-20-H62-4892
UTE TRIBAL 16-2	02	050S	040W	4301330756	2610	SESE	OW	P	Indian	14-20-H62-3404
UTE TRIBAL 7-24	24	040S	030W	4301330768	2625	SWNE	OW	P	Indian	14-20-H62-4891
UTE TRIBAL 24-12	24	050S	040W	4301330830	9104	NWSW	OW	S	Indian	14-20-H62-4716
UTE TRIBAL 13-15X	13	050S	040W	4301330844	9100	SWSE	OW	S	Indian	14-20-H62-4715
GUSHER 2-17B1	17	020S	010W	4301330846	8436	NENE	OW	S	Fee	FEE
COYOTE UTE TRIBAL 10-9	09	040S	040W	4301330861	9900	NWSE	OW	S	Indian	I-109-IND-5351
BROWN 3-2	03	010S	020W	4301330986	10290	NWNW	GW	P	Fee	FEE
L E FONT 3-27Z2	27	010N	020W	4301331052	9464	SESE	OW	P	Indian	14-20-H62-4733
BADGER UTE H E MANN 2-28Z2	28	010N	020W	4301331053	9459	SWSE	OW	P	Indian	14-20-H62-4305
WALKER 2-24A5	24	010S	050W	4301331085	218	SESW	OW	S	Fee	FEE
DYE-HALL 2-21A1	21	010S	010W	4301331163	10713	SENE	OW	S	Fee	FEE
BASTIAN 3-8A1	08	010S	010W	4301331181	10758	NWSE	OW	P	Fee	FEE
RUST 3-22A4	22	010S	040W	4301331266	11194	NESW	OW	S	Fee	FEE
BEND UNIT 2	08	070S	220E	4304715416	2475	NENE	GW	S	Federal	U-0647
MONADA STATE 1	02	060S	190E	4304730080	11089	NWNW	OW	PA	State	ML-40730
UTE TRIBAL 1-16A1E	16	010S	010E	4304730231	780	SESE	OW	P	Indian	14-20-H62-4888
C J HACKFORD 1-23	23	010S	010E	4304730279	790	SENE	OW	S	Fee	FEE
UTE TRIBAL 1-14-B1E	14	020S	010E	4304730774	4521	NWNE	OW	P	Indian	14-20-H62-2931
RIVER JUNCTION 11-18	18	090S	200E	4304731316	9705	NESW	OW	S	Federal	U-27041A
BRENNAN FED 4-15	15	070S	200E	4304731332	9760	NESE	GW	S	Federal	U-14219
PENNY 16-7	07	090S	200E	4304731360	2680	SESE	OW	S	Federal	U-27041
HORSESHOE BEND 34-E	34	060S	210E	4304731595	10203	SWNW	OW	S	Federal	U-74499



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 1, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6435

Mr. Brian Jones
Homeland Gas & Oil Inc.
825 East Speer Blvd, Suite #100 E
Denver, CO 80218

43 013 30469
Bates 9-1
45 6W 9

Re: **SECOND NOTICE: Extended Shut-in and Temporarily Abandoned Requirements for Wells on Fee or State Leases**

Dear Mr. Jones:

Homeland Gas & Oil Inc. ("Homeland") has seven (7) Fee Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in and temporary abandonment (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

This is a second notice for wells 1 through 3 listed on Attachment A. The Division notified the previous operators, Mountain Oil, Flying J Oil, and McCullis Resources, on several occasions by certified mail about these wells non-compliance issues. Several plans to produce or plug were submitted, but no action has been taken to date on these wells. Homelands responsibility to comply with the above listed rules was assumed at current level when ownership was transferred. The Division has been holding several meetings with Homeland in regards to these wells, but no work has taken place. Immediate action is required on these wells. Please submit your plans to produce or plug these wells. If this is not addressed within 30 days, a Notice of Violation will be issued for these wells. A similar response is required for the other four wells listed in Attachment A.



Page 2
October 1, 2008
Mr. Jones

For extended SI/TA consideration the operator shall provide the Division with the following:


1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3)

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

JP/js
Enclosure

cc: Compliance File
Well File

Attachment A

	Well Name	API	Lease Type	Years Inactive
1	REIMANN 10-1	43-013-30460	FEE	3 Years 9 Months
2	BATES 9-1	43-013-30469	FEE	3 Years 9 Months
3	WALKER 2-24A5	43-013-31085	FEE	19 Years 6 Months
4	HANSEN 1	43-013-30161	FEE	1 Year 6 Months
5	WILKINS 1-24A5	43-013-30320	FEE	1 Year 11 Months
6	DYE-HALL 2-21A1	43-013-31163	FEE	2 Years 2 Months
7	FAUSETT 1-26A1E	43-047-30821	FEE	1 Year 5 Months

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

To the following operator:

Name: HOMELAND GAS & OIL INC.

4S 6W 9

Well(s) or Site(s): 1.) REIMANN 10-1 API #: 43-013-30460

2.) BATES 9-1 43-013-30469

3.) WALKER 2-24A5 43-013-31085

Date and Time of Inspection/Violation: December 22, 2008

Mailing Address: Attn: Brian Jones

15587 Hurrion St

Broomfield, CO 80020

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells – The above referenced wells have been Shut-in or Temporarily Abandoned (SI/TA) over 5 years. According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

Homeland Oil & Gas Inc.

December 22, 2008

Notice of Violation

The Division has initiated several contacts with Homeland Gas & Oil Inc. (Homeland) requesting required documents and action per R649-3-36. The above listed wells had a second notice sent out via certified mail on October 29, 2008 to Homeland. Prior to that, several plans to produce or plug were submitted to the Division with no action performed. The Division has also had numerous other communications by phone and meeting with Homeland. Our records show nothing has been done to date to move these wells out of violation status.

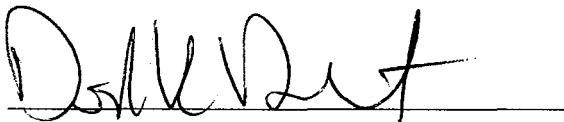
Action: For the wells subject to this notice, Homeland shall either submit the information required by R649-3-36, plug and abandon or place the well on production.

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: January 23, 2009

Date of Service Mailing: December 22, 2008

CERTIFIED MAIL NO: 7004 2510 0004 1824 6619



Division's Representative

Operator or Representative

(If presented in person)

Cc: Well Files

Operator Compliance File

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Homeland Gas & Oil, LTD		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P.O. Box 1776 CITY Roosevelt STATE UT ZIP 84066		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2268' FNL & 745' FEL		8. WELL NAME and NUMBER: Bates 9-1
PHONE NUMBER: (435) 722-2992		9. API NUMBER: 4301330469
10. FIELD AND POOL, OR WILDCAT: Altamont		
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 9 4S 6W		COUNTY: Duchesne
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 9/30/2010	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Mechanical Integrity</u> Test, Shut In
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Due to pending capital acquisitions, Homeland Gas & Oil, LTDS (HGO) is requesting a one year extension for shut in. HGO further proposes to secure the well and perform a MIT using the following procedure.

COPY SENT TO OPERATOR

- Step 1) Move in portable frac disposal tank to receive fluids for disposal and blow well dead.
 Step 2) RUSU, use hot oil truck to pump H2O into casing, prepare to pull and lay down rods.
 Step 3) Release rod pump and flush water down tubing if needed, circulate the well bore clean.
 Step 4) Release anchors. POOH with tubing anchor and lay down anchor.

Date: 9.14.2010

Initials: KS

Step 5) Pick up R-3 Baker pkr. Trip into casing and set 100' above existing perforations. Pressure test well per State Rule 649-5-5.

Step 6) Hang off tubing. Remove BOP's and NU new wellhead, remove all rod pack-off equipment. Put in valves and bull plug. Secure site and RDMOSU.

*****NOTE STEP %***** In the event the MIT test won't hold per the State Rule 649-5-5., HGO will locate potential areas of lost pressure and move up casing where pressure test will hold, set R-3 Baker pkr 200' above lost pressure location and retest.

See attached State Rule 649-5-5.

NAME (PLEASE PRINT) <u>RaSchelle Richens</u>	TITLE <u>Regulatory Affairs</u>
SIGNATURE <u>RaSchelle Richens</u>	DATE <u>8/2/2010</u>

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 9/7/10
BY: [Signature]

RECEIVED

AUG 10 2010

DIV. OF OIL, GAS & MINING

* For MIT & Security SITA request should be submitted after results of MIT are obtained.

R649-5-5. Testing and Monitoring of Injection Wells.

1. Before operating a new injection well, the casing shall be tested to a pressure not less than the maximum authorized injection pressure, or to a pressure of 300 psi, whichever is greater.
2. Before operating an existing well newly converted to an injection well, the casing outside the tubing shall be tested to a pressure not less than the maximum authorized injection pressure, or to a pressure of 1,000 psi, whichever is lesser, provided that each well shall be tested to a minimum pressure of 300 psi.
3. In order to demonstrate continuing mechanical integrity after commencement of injection operations, all injection wells shall be pressure tested or monitored as follows:
 - 3.1. Pressure Test. The casing-tubing annulus above the packer shall be pressure tested not less than once each five years to a pressure equal to the maximum authorized injection pressure or to a pressure of 1,000 psi, whichever is lesser, provided that no test pressure shall be less than 300 psi. A report documenting the test results shall be submitted to the division.
 - 3.2. Monitoring. If approved by the director, and in lieu of the pressure testing requirement, the operator may monitor the pressure of the casing-tubing annulus monthly during actual injection operations and report the results to the division.
 - 3.3. Other test procedures or devices such as tracer surveys, temperature logs or noise logs may be required by the division on a case-by-case basis.
 - 3.4. The operator shall sample and analyze the fluids injected in each disposal well or enhanced recovery project at sufficiently frequent time intervals to yield data representative of fluid characteristics, and no less frequently than every year.
 - 3.5. The operator shall submit a copy of the fluid analysis to the division with the Annual Fluid Injection Report, UIC Form 4.



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 20, 2010

Certified Mail No. 7004 1160 0003 0190 4802

Craig Phillips
Homeland Gas & Oil, Inc
P.O. Box 1574
Roosevelt, Utah 84066

43 013 30469
Bates 9-1
45 6W 9

Subject: Homeland Gas and Oil, Inc. Escrow Account

Dear Mr. Phillips:

This letter is in response to the e-mail you sent me on December 8, 2010, regarding Homeland Gas & Oil, Inc. (Homeland) proposal to place \$280,000.00 in an escrow account specifically for the plugging and performing of Mechanical Integrity Tests (MIT's) on Shut-in and Temporarily Abandoned Wells (SI/TA) currently operated by Homeland.

The Division of Oil, Gas and Mining (Division) grants Homeland 30 days from receipt of this letter to submit a formal escrow account agreement and plan of action, for Division review and approval, for the eighteen (18) Homeland Fee and State operated wells (see Attachment A – Subject Wells) in non-compliance with Utah Oil and Gas Conservation General Rule R649-3-36.

The Division requests that Homeland's escrow account agreement and/or plan of action submittals include, but not restricted to the following:

- Prioritized work plans for all eighteen Shut-in and Temporarily Abandoned Wells.
- Identify and prioritize wells with landowner complaints.
- Identify the specific wells to be plugged and plugging deadlines for each well.
- Identify the specific wells for MIT and MIT performance deadlines for each well.
- Plan for any well failing a MIT.
- Proof of funding.
- When the funds will be available for placement into the escrow account.
- Parameters for withdrawals from the escrow account.
- Additional placement of funds into the escrow account.
- Show that the Homeland and the escrow manager have no conflict of interest.



Page 2
Homeland Gas and Oil, Inc. Escrow Account
December 20, 2010

Questions regarding this matter may be directed to Mr. Clinton Dworshak, Compliance Manager, at 801 538-5280, or to Mr. Dustin Doucet, Engineer, at 801 538-5281.

Sincerely,

A handwritten signature in black ink, appearing to read "Clinton Dworshak". The signature is fluid and cursive, with the first name "Clinton" and last name "Dworshak" clearly distinguishable.

Clinton Dworshak
Compliance Manager

CLD/js
Enclosures
cc: Compliance File
Well Files
Steve Alder, Attorney General
John Rogers, Associate Director
Dustin Doucet, Petroleum Engineer
Randy Thackeray, Lead Auditor

N:\O&G Reviewed Docs\ChronFile\Compliance

Attachment A

Subject Wells

Well Name	API	SI/TA (Years and Months) 10/2010
Brown 3-2	43-013-30986	3 years 0 Months
Fausett 1-26A1E	43-047-30821	3 years 7 Months
Myrin Ranch 1	43-013-30176	4 years 1 Month
Wilkins 1-24A5	43-013-30320	4 Years 1 Month
Wesley Bastian Fee 1	43-013-10496	5 Years 2 Months
Josie 1A-3B5	43-013-30677	5 Years 5 Months
Dye-Hall 2-21A1	43-013-31163	5 Years 6 Months
→ Bates 9-1	43-013-30469	5 Years 11 Months
V Miles 1	43-013-30275	6 Years 3 Months
Rust 3-22A4	43-013-31266	6 Years 6 Months
Gusher 2-17B1	43-013-30846	6 Years 8 Months
CJ Hackford 1-23	43-047-30279	6 years 9 Months
Knight 1	43-013-30184	7 Years 0 Months
Josie 1-3B5	43-013-30273	9 Years 5 Months
A Rust 2	43-013-30290	10 Years 4 Months
Reiman 10-1	43-013-30460	14 years 0 Months
Dustin 1	43-013-30122	17 Years 3 Months
Walker 2-24A5	43-013-31085	20 years 8 Months

7004 1160 0003 0190 4802

U.S. Postal Service™
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 (Domestic Mail Only; No Insurance Coverage Provided)

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OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	

12/20/10

Postmark
Here

Total Postage

Sent To **CRAIG PHILLIPS**
HOMELAND GAS & OIL INC
 Street, Apt. No. **P O BOX 1574**
 or PO Box No. **ROOSEVELT UT 84066**
 City, State, ZIP

PS Form 3800, June 2002

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

CRAIG PHILLIPS
HOMELAND GAS & OIL INC
P O BOX 1574
ROOSEVELT UT 84066

2. Article Number
 (Transfer from service label)

7004 1160 0003 0190 4802

PS Form 3811, February 2004

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature X <i>[Signature]</i>		<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
B. Received by (Printed Name) Amber Simpson	C. Date of Delivery 12/27/10	
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No		

3. Service Type	
<input checked="" type="checkbox"/> Certified Mail	<input type="checkbox"/> Express Mail
<input type="checkbox"/> Registered	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> C.O.D.
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

102595-02-M-1540

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

To the following operator:

Name: HOMELAND GAS AND OIL, INC.

Well(s) or Site(s): 1.) <u>BATES 9-1</u>	API #: <u>43-013-30469</u>	4S	6W	9
2.) <u>REIMANN 10-1</u>	<u>43-013-30460</u>			
3.) <u>DUSTIN 1</u>	<u>43-013-30122</u>			
4.) <u>A RUST 2</u>	<u>43-013-30290</u>			
5.) <u>GUSHER 2-17B1</u>	<u>43-013-30846</u>			
6.) <u>RUST 3-22A4</u>	<u>43-013-31266</u>			
7.) <u>C J HACKFORD 1-23</u>	<u>43-047-30279</u>			
8.) <u>V MILES 1</u>	<u>43-013-30275</u>			
9.) <u>WILKINS 1-24-A5</u>	<u>43-013-30320</u>			
10.) <u>JOSIE 1A-3B5</u>	<u>43-013-30677</u>			
11.) <u>DYE-HALL 2-21A1</u>	<u>43-013-31163</u>			
12.) <u>FAUSET 1-26A1E</u>	<u>43-047-30821</u>			
13.) <u>BROWN 3-2</u>	<u>43-013-30986</u>			

Date and Time of Inspection/Violation: December 28, 2012

Mailing Address: Attn: Craig Phillips
P.O. BOX 1776
Roosevelt, UT 84066

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, *Shut-in and Temporarily Abandoned Wells* – According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

Rule R649-3-4.3, *Bonding* - If the division finds that a well subject to this bonding rule is in violation of Rule R649-3-36., Shut-in and Temporarily Abandoned Wells, the division shall require a bond amount for the applicable well in the amount of actual plugging and site restoration costs.

Rule R649-3-4.4.1. *Bonding* - Within 30 days of notification by the division, the operator shall submit to the division an estimate of plugging and site restoration costs for division review and approval.

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

The Division has initiated several contacts with Homeland Gas and Oil, Inc. (Homeland) requesting required documents and action per R649-3-36. All wells listed have previously been issued SI/TA Notices and Notices of Violation without the required work being accomplished or information submitted to bring these wells into compliance.

These wells are in violation of R-649-3-36 as listed above. The Division requires Homeland to put up full cost bonding for all wells in violation above per R649-3-4. It is also mandatory that Homeland submit all documentation as required by R649-3-36 concerning shut-in and temporarily abandoned wells.

Immediate Action: For the wells subject to this notice, Homeland shall fulfill full cost bonding requirements for each well. Homeland shall also submit all information as required by R649-3-36 or plug and abandon or place the wells on production.

- * **Fines may be levied up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A. 40-6-11, part 4.**

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: February 8, 2013

Date of Service Mailing: January 3, 2013

Certified Mail No: 7010 1670 0001 4810 3638

Division's Representative

Operator or Representative
(If presented in person)

cc: Compliance File
Well Files

6/2005



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS & MINING

IN THE MATTER OF:

Homeland Gas and Oil, Inc. operations at:

Bates 9-1 located at Sec. 9, T4S, R6W;
Riemann 10-1 located at Sec. 10, T4S,
R6W; Dustin 1 located at Sec. 22, T2S,
R3W; A Rust 2 located at Sec. 22, T1S,
R4W; Gusher 2-17B1 located at Sec. 17,
T2S, R1W; Rust 3-22A4 located at Sec.
22, T1S, R4W; V Miles 1 located at Sec.
20, T1S, R4W; Josie 1A-3B5 located at
Sec. 3, T2S, R5W; Wilkins 1-24A5
located at Sec. 24, T1S, R5W; Dye-Hall
2-21A1 located at Sec. 21, T1S, R1W;
Brown 3-2 located at Sec. 3, T1S, R2W;
CJ Hackford 1-23 located at Sec. 23, T1S,
R1E; and Fausett 1-26A1E located at Sec.
26, T1S, R1E.

43 013 30469

NOTICE OF AGENCY ACTION

Case No. SI/TA 102

1. This Notice of Agency Action is to inform Homeland Gas and Oil, Inc. ("Homeland") that the Utah Division of Oil, Gas & Mining ("Division") is commencing an administrative adjudicative proceeding to consider appropriate action to be taken pursuant to Utah Admin. Code R649-3-36 for your failure to comply with a Notice of Violation ("NOV") issued January 3, 2013, for the following wells:

Well Name	API Number	Location Section TwN-Rng	
Bates 9-1	43-013-30469	9	4S-6W
Riemann 10-1	43-013-30460	10	4S-6W
Dustin 1	43-013-30122	22	2S-3W
A Rust 2	43-013-30290	22	1S-4W
Gusher 2-17B1	43-013-30846	17	2S-1W
Rust 3-22A4	43-013-31266	22	1S-4W
V Miles 1	43-013-30275	20	1S-4W
Josie 1A-3B5	43-013-30677	3	2S-5W
Wilkins 1-24A5	43-013-30320	24	1S-5W
Dye-Hall 2-21A1	43-013-31163	21	1S-1W
Brown 3-2	43-013-30986	3	1S-2W
CJ Hackford 1-23	43-047-30279	23	1S-1E
Fausett 1-26A1E	43-047-30821	26	1S-1E

This Division action is an informal adjudicative proceeding and shall be conducted according to the provisions of Utah Code Ann. §§ 40-6-10, 63G-4-202, and 63G-4-203; and Utah Admin. Code R649-10 *et seq.*

2. The Division issued a NOV on January 3, 2013, compelling you to provide full cost bonding on all of the listed wells, and one of the following actions: 1) a written explanation for each well's status per the terms of Utah Admin. Code R649-3-36; 2) return each well to production; or 3) plug and abandon the wells. The NOV is attached as an exhibit to this Notice of Agency Action.

3. The purpose of this informal adjudication is to determine what action you are required to take in order to comply with R649-3-36, the Oil and Gas Conservation Act, and other applicable regulations. This informal adjudication also provides you an opportunity for

a hearing so that you may present evidence and testimony, if any, concerning your noncompliance with the NOV.

4. You are entitled to request a hearing to review the claims and recommendations in this Notice of Agency Action. The request for hearing **must be made in writing and received by the Division no later than 10 calendar days from the date of this Notice.** *See* Utah Admin. Code R649-10-3.2.1.6 and R649-10-4.1.2. Upon receiving a hearing request, the Division will schedule a date and time for the hearing. Failure to respond to this Notice within 10 calendar days to request a hearing may result in a Default Order being entered against you granting the relief recommended by the Division. *See* Utah Admin. Code R649-10-5.

5. Pursuant to Utah Admin. Code R649-10-2.9, the Director has designated Cameron Johnson, Assistant Attorney General, as the Presiding Officer in this matter. Clinton Dworshak, Compliance Manager, will represent the Division. Attendance at the hearing is required either in person, over the phone, or via written testimony. Failure to attend and participate in a scheduled hearing may result in a Default Order being entered against you granting the relief recommended by the Division. *See* Utah Admin. Code R649-10-5.

6. If you have any information, evidence, or statements that should be reviewed prior to the hearing, you should submit that information to the Division at the address noted below so that it may be considered and made a part of the record.

7. Upon request and to the extent permitted by law, the Division will provide you with any information or documents in its files relevant to this proceeding.

8. If after the hearing the Presiding Officer determines that you failed to adhere to the directives of the NOV, he may enter a Decision and Order requiring you to take additional actions, including, but not limited to: posting additional amounts of bonding, immediate plugging of the well, or other measures that are deemed to be appropriate under Utah Admin. Code R649-3-1 through -36.


9. To preserve the Division's ability to effectively manage the State's oil and gas resources, the Division is recommending the following actions:

- a. Plugging Sundries for the 13 state or fee shut-in wells; and**
- b. A plugging schedule for the wells shall be submitted to the Division by April 30, 2013.**

10. Following the hearing, and after considering all the evidence presented, the Presiding Officer will issue a written Decision and Order detailing the legal and factual rationale for the decision. The final Decision and Order may be appealed to the Board of Oil, Gas & Mining in accordance with the provisions of Utah Admin. Code R649-10-6.

11. All written communication concerning this Notice of Agency Action shall be identified by the case name and number set forth in the caption at the top of this Notice, and shall be directed to Jean Sweet, Division of Oil, Gas & Mining, P.O. Box 145801, Salt Lake City, Utah 84114-5801, phone: 801-538-5329, jsweet@utah.gov.

DATED this 12th day of March, 2013.



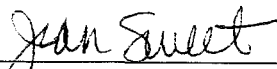
Cameron Johnson
Assistant Attorney General
1594 West North Temple, Suite 300
Salt Lake City, Utah 84101
801.518.3988
cameronjohnson@utah.gov

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 12th day of March, 2013, a true and correct copy of the foregoing **NOTICE OF AGENCY ACTION** was served via certified mail on the following person(s):

Homeland Gas and Oil, Inc.
Attn: Craig Phillips
P.O. Box 1776
Roosevelt, Utah 84066

Certified Mail #7010 1670 0001 4810 3928



Jean Sweet
Division of Oil, Gas & Mining

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: BATES 9-1	
2. NAME OF OPERATOR: HOMELAND GAS & OIL, INC.	9. API NUMBER: 43013304690000	
3. ADDRESS OF OPERATOR: P.O. Box 1776, Roosevelt, UT, 84066	PHONE NUMBER: 435 722-2992 Ext	9. FIELD and POOL or WILDCAT: ALTAMONT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2268 FNL 0745 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 09 Township: 04.0S Range: 06.0W Meridian: U	COUNTY: DUCHESNE	
	STATE: UTAH	

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input type="text"/>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 5/31/2013			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

TBG PSI 275 CSG PSI 50

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 June 19, 2013

NAME (PLEASE PRINT) Craig S. Phillips	PHONE NUMBER 435 722-2992	TITLE Manager
SIGNATURE N/A	DATE 6/3/2013	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: BATES 9-1	
2. NAME OF OPERATOR: HOMELAND GAS & OIL, INC.	9. API NUMBER: 43013304690000	
3. ADDRESS OF OPERATOR: P.O. Box 1776, Roosevelt, UT, 84066	PHONE NUMBER: 435 722-2992 Ext	9. FIELD and POOL or WILDCAT: ALTAMONT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2268 FNL 0745 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 09 Township: 04.0S Range: 06.0W Meridian: U	COUNTY: DUCHESNE	
		STATE: UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input type="text"/>
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 8/14/2013			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

TBG 255 PSI CSG 50 PSI

Accepted by the
 Utah Division of
 Oil, Gas and Mining
FOR RECORD ONLY
 September 11, 2013

NAME (PLEASE PRINT) Craig S. Phillips	PHONE NUMBER 435 722-2992	TITLE Manager
SIGNATURE N/A		DATE 8/14/2013

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: HOMELAND GAS & OIL, INC.		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: P.O. Box 1776 , Roosevelt, UT, 84066		8. WELL NAME and NUMBER: BATES 9-1
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2268 FNL 0745 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 09 Township: 04.0S Range: 06.0W Meridian: U		9. API NUMBER: 43013304690000
PHONE NUMBER: 435 722-2992 Ext		9. FIELD and POOL or WILDCAT: ALTAMONT
COUNTY: DUCHESNE		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 11/4/2013	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> CONVERT WELL TYPE	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> NEW CONSTRUCTION	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PLUG BACK	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TEMPORARY ABANDON	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input checked="" type="checkbox"/> OTHER	
	OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. <div style="text-align: center; margin-top: 20px;"> PSI TBG 225 CSG 50 </div> <div style="text-align: right; margin-top: 20px;"> Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY December 06, 2013 </div>		
NAME (PLEASE PRINT) Craig S. Phillips	PHONE NUMBER 435 722-2992	TITLE Manager
SIGNATURE N/A	DATE 11/6/2013	



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 2, 2014

Charles Cox via FedEx
Attorney
1432 South Carson Avenue
Tulsa, OK 74119

Kevin Sylla, Managing Director via FedEx
Tiger Energy Partners
6400 Canoga Ave., Suite 360
Woodland Hills, CA 91367

Craig Phillips, President via FedEx
Homeland Gas & Oil
P.O. Box 1776
Roosevelt, Utah 84066

43 D13 30469
Bates 9-1
45 6W 9

DIVISION ORDER

Subject: Stipulated Order in Cause No. SI/TA-102

Dear Sirs,

In May 2013, Tiger Energy Partners ("Tiger"), Homeland Gas and Oil, Inc. ("Homeland"), and the Utah Division of Oil, Gas and Mining ("Division") entered into a Stipulated Order. The Stipulated Order included a "Production and Plugging Schedule" requiring either Tiger or Homeland to begin rework operations to either place on production or plug at least one of the twelve (12) Subject Wells¹ starting July 1, 2013. Our understanding was that once a rig was on a well, it would remain until the well was capable of production or properly plugged and then would move to the next Subject Well. The schedule also required commencement of rework operations at a new Subject Well every forty-five (45) days thereafter.

Homeland has transferred six (6) of the Subject Wells (Dye-Hall 2-21A1, Gusher 2-17B1, Rust 3-22A4, Dustin 1, Rust 3-22A4 and V Miles 1) to Tiger over the past year. The Division initially understood Tiger's need for additional time to acquire sufficient mineral leases in the subject drilling units before beginning rework operations on any of the transferred wells. However, while the Division allowed Tiger the flexibility to acquire mineral leases, to date, Tiger has only done rework operations on one of the Subject Wells (the Gusher 2-17B1 well during April of this year). Tiger submitted a sundry dated April 25, 2014 stating the Gusher 2-17B1 well was capable of producing in paying quantities and awaiting the arrival of a more economic work over unit to remove a stuck packer. To the Divisions' knowledge the work-over rig used on the Gusher 2-17B1 was not moved to another Subject Well, as contemplated by the Stipulated Order.

The Division asked that Tiger keep the Division informed with regular updates to show they were actively and continuously working to improve their lease position. The Division also requested

¹ Bates9-1, Reimann 10-1, Dustin 1, A Rust 2, Gusher 2-17B1, Rust 3-22A4, V Miles 1, Josie 1A-3B5, Wilkins 1-24A5, Dye-Hall 2-21A1, C J Hackford 1-23, Fausett 1-26A1E



Tiger provide a list of which, if any, wells they would not have Homeland transfer. Tiger never submitted land updates or a list of wells that would not be transferred.

The Division sent a letter dated December 10, 2013 reminding Tiger of its obligation to commence rework operations on these wells and the Division would reevaluate depth bonding for the wells after the first of the year. In response, Tiger transferred additional wells in order to attempt to comply with the Production and Plugging Schedule through February 15, 2014. Since December, however, Tiger has not transferred any additional wells in order to meet the April 1, 2014 or the May 15, 2014 dates on the Production and Plugging Schedule.

Therefore, Tiger must provide individual depth bonding for the six (6) subject wells it operates (Dye-Hall 2-21A1, Gusher 2-17B1, Rust 3-22A4, Dustin 1, Rust 3-22A4 and V Miles 1) by June 30, 2014. Depth bonding for the six (6) wells is \$360,000 total. Since Tiger currently has a \$120,000 bond with the State, an additional \$240,000 is required at this time. If Tiger attempts to transfer additional Subject Wells from Homeland, such transfer must be accompanied by a \$60,000 individual well bond for each well and must comply with the Production and Plugging Schedule as set forth in the Stipulated Order.

Additionally, by June 13, 2014, Homeland must identify at least two wells on which it will immediately commence rework operations to either produce or plug in order to comply with the April 1, 2014 and the May 15, 2014 dates as set forth in the Production and Plugging Schedule. Unless additional wells are transferred to Tiger, Homeland will be responsible to comply with the remaining dates on the Production and Plugging Schedule. If Tiger desires to transfer wells to comply with those dates, it must notify the Division by June 13, 2014 and must accompany the transfer request with a \$60,000 individual well bond for each well.

Tiger or Homeland may appeal this Division Order by filing with the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review must be filed with the Secretary to the Board, Julie Ann Carter (801) 538-5277, within 30 days of issuance of this Order.

In the event Tiger or Homeland does not respond to this Order within 30 days of receipt, the Division may file for a formal hearing before the Board of Oil, Gas and Mining, as described in the Utah Administrative Code R641, requesting a Board Order to plug and restore the well sites. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-1.16) and liability for plugging costs in excess of bond forfeiture amounts (R649-3-1-4).

Questions regarding this order may be directed to Clinton Dworshak, Compliance Manager at (801) 538-5280 or Dustin Doucet, Engineer, at (801) 538-5281.

Sincerely,



Clinton Dworshak
Compliance Manager

CLD/js

cc: John Rogers, Associate Director Oil & Gas
Kass Wallin, Attorney General
Dustin Doucet, Petroleum Engineer
Elizabeth A. Schulte, Parsons, Behle & Latimer
N:\O&G Reviewed Docs\ChronFile\Enforcement

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
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3. ADDRESS OF OPERATOR: P.O. Box 1776, Roosevelt, UT, 84066	PHONE NUMBER: 435 722-2992 Ext	9. FIELD and POOL or WILDCAT: ALTAMONT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2268 FNL 0745 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 09 Township: 04.0S Range: 06.0W Meridian: U	COUNTY: DUCHESNE	
		STATE: UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 8/20/2014	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
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	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input type="text"/>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

plugging procedure see attachment

Approved by the
Utah Division of
Oil, Gas and Mining

Date: August 28, 2014

By: 

Please Review Attached Conditions of Approval

NAME (PLEASE PRINT) Craig S. Phillips	PHONE NUMBER 435 722-2992	TITLE Manager
SIGNATURE N/A		DATE 8/13/2014



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43013304690000

- 1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.**
- 2. Clarify Plug #5: Perf@ 100' and circulate cement down 7 5/8" casing back to surface through 10 3/4" ax 7 5/8" annulus.**
- 3. All balanced plugs shall be tagged to ensure that they are at the depth specified.**
- 4. All annuli shall be cemented from a minimum depth of 100' to the surface.**
- 5. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.**
- 6. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.**
- 7. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.**
- 8. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.**

8/26/2014

Wellbore Diagram

r263

API Well No: 43-013-30469-00-00 Permit No:

Well Name/No: BATES 9-1

Company Name: HOMELAND GAS & OIL, INC.

Location: Sec: 9 T: 4S R: 6W Spot: SENE

Coordinates: X: 537369 Y: 4444312

Field Name: ALTAMONT

County Name: DUCHESNE

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	L/CF
HOL1	665	14.75			
SURF	665	10.75 x 7 5/8"	40.5	(0.2338)	4.278
HOL2	6000	9.5 x 7 5/8" w/10%		(0.2842)	3.5185
PROD	6000	7.625	26.4	(0.2648)	3.775
L1	7820	5		(0.1134)	8.817
T1	5741	2.875			
HOL3	8040				

* Amend plug # 5
 * perf @ 100' & sgz
 INSIDE: 100' / (1.15 x 0.2648) = 23 SX
 OUT: 100' / (1.15 x 0.2338) = 10 SX

33 SX Reg
 TOC @ SFC

Cement Information

INSIDE ABOVE: 50' / (1.15 x 0.2648) = 12 SX
 BELOW: 50' / (1.15 x 0.2648) = 12 SX
 OUTSIDE
 9 1/2" x 7 5/8" 50' / (1.15 x 0.2842) = 12 SX
 7 5/8" x 10 3/4" 50' / (1.15 x 0.2338) = 10 SX

46 SX
 TOC @ 5741'
 proposed 70 SX
 O.K.

Plug # 3

(35 SX x 1.15 x 3.775) = 151'

TOC @ 3900' +
 O.K.

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
6492	6846			
6044	6387			

Formation Information

Formation	Depth
GRRV	0
BMSW	675
WSTC	6112

Plug # 2

(50 SX x 1.15 x 3.775) = 217'

TOC @ 5500' +
 O.K.

Plug # 1

Above: (25 SX x 1.15 x 3.775) = 108'
 Below: (70 SX x 1.15 x 8.817) = 709'

TOC @ 5895'
 BOC @ 6704'
 O.K.

TD: 8040 TVD: PBTD:

7714

Well Site Services
58 E 100 N
Roosevelt UT 84066
wellsite@ubtanet.com

Proposed Plugging Procedure

Bates 9-1
API- 43-013-30469
Sec. 9-4S-6W
Duchesne County, Utah

Surface Csg: 10-3/4 40.5# 665' J55 500SKS
Prod Csg: 7-5/8 26.4# 5776' J55 515 SKS
Liner: 5-" 5710'-7820 15# J55 225 SKS
Tubing: 2 7/8" 6.5# 5741'
Rods 3/4-7/8-1"
Perfs: 7512-6090
ETOC 3900 @ 8%
KB 17
TD 8440 PBTD

1. Notify DOGM of P&A operations at least 24 hours prior to starting abandonment operations.
2. MIRU plugging equipment. Blow well down if necessary.
3. RU Rod equip unseat pump and flush TBG.
4. TOOH rods laying down.
5. Remove wellhead equipment. NU 5.000# BOP
6. Release anchor TOOH with 2 7/8" N80Check tubing.
7. TIH with Bit and scraper to 6050
8. CIRC 125Bl at 225 TOH
9. PU CIRC TIH 5995
10. Establish injection rate. Mix and pump 95sks Class G 15.8# cement, 70sks under CIRC, and spot 25sks (100') on top.
11. TOH 500' reverse out.
13. Pressure test CSG to 1000 PSI if fails call for orders.
14. Roll hole with (corrosion inhibitor treated) clean production water
15. TOH to 5700 pump 100' Balance plug. 50 sacks 15.8# cement
16. TOH 500 Reverse out.

- 17.** TOH 4000 and place a 100' balance plug 35 sacks.
- 18.** TOH 500' Reverse out TOH
- 19.** Perf at 675(BMSGW)
- 20.** PU CICR TIH 625 place a 100' inside outside plug 70 SKS
- 21.** TOH to 100' and circulate cement to surface.
- 22.** Cut off wellhead 4' below ground level and top off cement then install dry hole plate containing well information
- 23.** RDMO



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 18, 2014

Certified Mail #7011 2970 0001 8828 1696

Craig Phillips
Homeland Gas and Oil, Inc.
P.O. Box 1776
Roosevelt, Utah 84066

DIVISION WELL PLUGGING ORDER

Subject: Cause No. SI/TA-102

Dear Mr. Phillips:

9 4S 6W

Pursuant to the Modification to Stipulated Order in Cause No. SI/TA-102, dated August 1, 2014, the Division of Oil, Gas, and Mining ("**Division**") under Utah Code sections 40-6-15 and -16 orders Homeland Gas and Oil, Ltd. ("**Homeland**"), as operator and agent of the owners of the Bates 9-1 well (API #43-013-30469) ("**Bates**") and the Reimann 10-1 well (API #43-013-30460) ("**Reimann**"; collectively Bates and Reimann are "**Wells**" or "**Well**") and associated wellbores, to plug and abandon the Wells pursuant to the plugging procedures approved by the Division for each Well and to take any and all actions necessary, incidental, and attendant to the plugging and abandonment of the Wells.

This Order only requires Homeland to work on the plugging and abandonment of the Wells one-at-a-time and the Division grants Homeland the discretion to determine the order in which the Wells will be plugged; provided, however, that once plugging work has commenced, Homeland must diligently work until both Wells are plugged and abandoned to the Division's satisfaction.



Homeland will have a reasonable time from the issuance of this Division Order to commence, or to have its plugging contractor commence, plugging activities on the Wells. Upon the completion of the plugging of the first Well, Homeland and its plugging contractor shall have 14 calendar days to commence plugging the second Well.

Homeland or its plugging contractor must keep the Division reasonably informed of its progress by filing sundries or other communication. Should plugging activities be suspended or interrupted for more than five business days for reasons beyond the control of Homeland or its plugging contractor, Homeland must provide written notice of the same to the Division and state when it believes plugging activities will recommence.

Questions regarding this order may be directed to Clinton Dworshak, Compliance Manager, at (801) 538-5280.

Sincerely,

A handwritten signature in black ink, appearing to read "Clinton L. Dworshak", is written over a horizontal line.

Clinton Dworshak
Compliance Manager

CLD/js

cc: John Roger, Associate Director Oil and Gas
Matthew Brahana, with Van Cott, Bagley, Cornwall & McCarthy
Steve Alder, Attorney General
Wells File
SI/TA-102 File
Enforcement File

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
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2. NAME OF OPERATOR: HOMELAND GAS & OIL, INC.	9. API NUMBER: 43013304690000	
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		STATE: UTAH

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<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 10/24/2014			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Final Plugging. See attached document.

Accepted by the
 Utah Division of
 Oil, Gas and Mining
FOR RECORD ONLY
 October 24, 2014

NAME (PLEASE PRINT) Craig S. Phillips	PHONE NUMBER 435 722-2992	TITLE Manager
SIGNATURE N/A		DATE 10/24/2014

Well Site Services
58 E 100 N
Roosevelt UT 84066
wellsite@ubtanet.com

Final Plugging

Bates 9-1
API- 43-013-30469
Sec. 9-4S-6W
Duchesne County, Utah

Surface Csg: 10-3/4 40.5# 665' J55 500SKS
Prod Csg: 7-5/8 26.4# 5776' J55 515 SKS
Liner: 5-" 5710'-7820 15# J55 225 SKS
Tubing: 2 7/8" 6.5# 5741'
Rods 3/4-7/8-1"
Perfs: 7512-6090
ETOC 3900 @ 8%
KB 17
TD 8440 PBTD

Plugged as follows

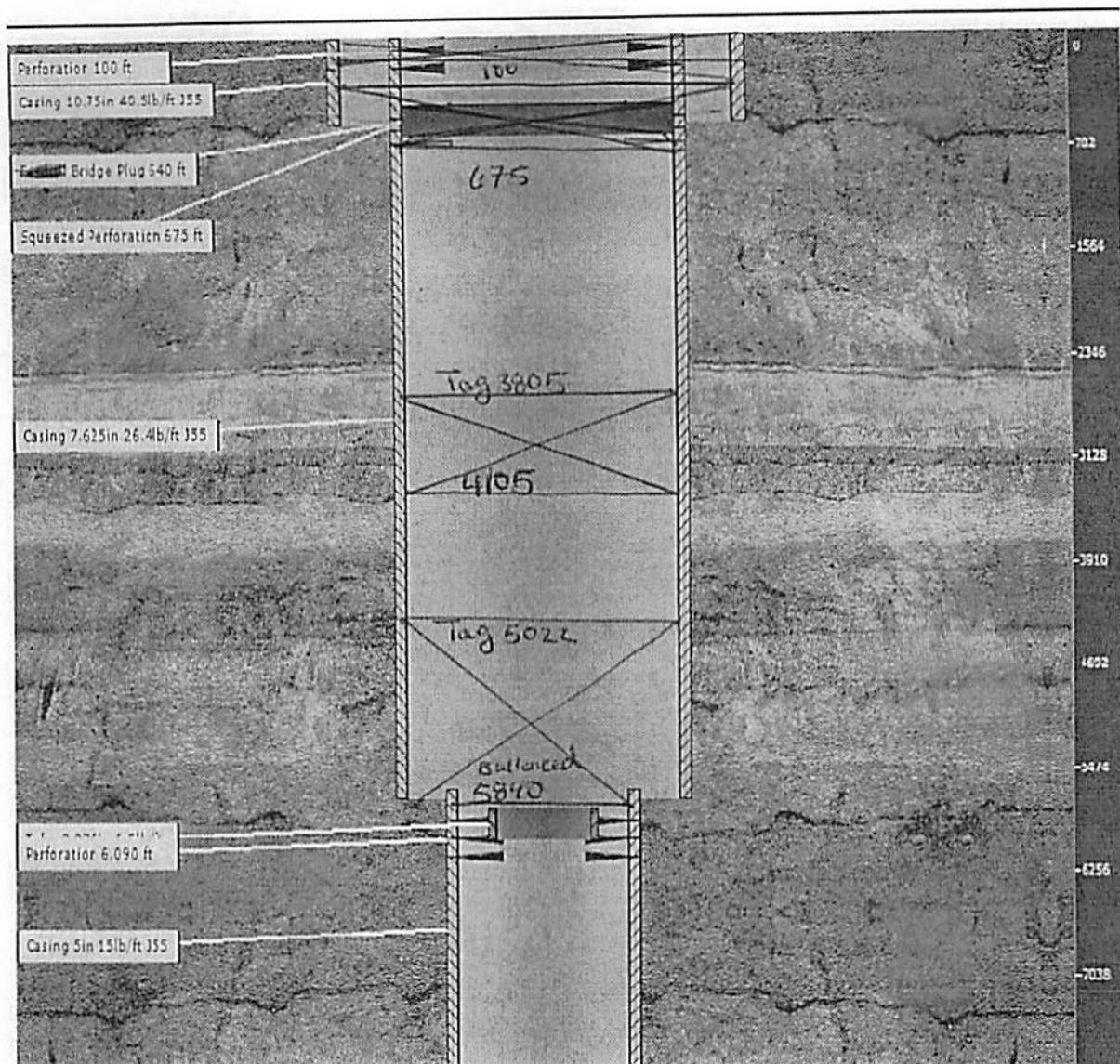
Plug #1 Balanced @ 5830 120SKS Class C cement
Tag at 5022

Plug # 2 Balanced @ 4105 80SKS Class C cement
Tag at 3805

Plug # 3 Retainer. Perfed 7-5/8 @ 675 retainer set @ 640' Pumped 93SKS class C cement.


Plug #4 surface plug pumped 25 SKS and topped of with 38SKSS Class C cement

Weld on plate with API # and well name



Measured Depth - 7820 ft

Legend:

-  Bridge Plug
-  Casing
-  Perforation
-  Tubing
-  Squeezed Perforation

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1. TYPE OF WELL Oil Well	8. WELL NAME and NUMBER: BATES 9-1	
2. NAME OF OPERATOR: HOMELAND GAS & OIL, INC.	9. API NUMBER: 43013304690000	
3. ADDRESS OF OPERATOR: P.O. Box 1776 , Roosevelt, UT, 84066	PHONE NUMBER: 435 722-2992 Ext	9. FIELD and POOL or WILDCAT: ALTAMONT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2268 FNL 0745 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 09 Township: 04.0S Range: 06.0W Meridian: U	COUNTY: DUCHESNE	
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION	OTHER: <input style="width: 100px;" type="text"/>
<input type="checkbox"/> SPUD REPORT Date of Spud:				
<input type="checkbox"/> DRILLING REPORT Report Date:				

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The surface work has been completed according to R649-3-34. All Surface equipment was removed. the pit was previously cleaned and filled. the tanks had sat an a hill, the hill was contoured to a natural state. the gas line was removed from location. awaiting final inspection by DOGM.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 January 30, 2015

NAME (PLEASE PRINT) Craig S. Phillips	PHONE NUMBER 435 722-2992	TITLE Manager
SIGNATURE N/A		DATE 12/17/2014